

THE REVIEW OF REVIEWS

OCTOBER, 1931

The Progress of the World

By ALBERT SHAW

Congress Will Find a Better Atmosphere

IN TWO MONTHS the Seventy-second Congress will assemble at Washington for its opening session. Its new members will have waited thirteen months since their election last November. Individuals here and there have lifted up their voices in appeal to President Hoover to call Congress in extra session to talk about unemployment and taxation. But the Treasury deficit has been fully met by temporary borrowings and the floating of a long-time loan at low rates; and there is no clear trend of public opinion that has favored a federal system of "doles" for people who are waiting for industry to acquire its normal momentum. Governor Pinchot of Pennsylvania issued an open letter to President Hoover, demanding an extra session of Congress to provide immediate relief for the unemployed. But his views were sharply opposed by other leaders in his own state. They declared that there had never been a time when Pennsylvania was in need of outside charity or relief for her children. Senators Reed and Davis proclaimed the capacity of Pennsylvania to look after all cases of need, and they seemingly echoed the prevailing sentiment. When Congress meets on the first Monday of December it is likely to find that a reaction has set in against proposals from various quarters for new federal expenditures to meet unemployment demands in an aggregate of several billion dollars. However, to dismiss these proposals contemptuously, as emotional, superficial, or unintelligent, would only strengthen the movement in their favor.

No "Doles" Are Proposed in America

IF THERE WERE NO alternative, certainly the government at Washington could go much further than it has gone in financing public works of various kinds to supply jobs, and as a last resort it could pay doles. It should be explained that Governor Pinchot, Senator Borah, and Mr. William Randolph Hearst have not been advocating the distribution of money on the English dole plan. Mr. Hearst, for instance, repudiates that idea with emphasis. He advocates a five billion dollar loan, the proceeds of

which would be used to give employment upon a system of public undertakings. Governor Pinchot also would favor work and wages, with tangible results to show for all expenditures, rather than offerings of weekly sums to registered lists of people, too many of whom might sag down into the mood of chronic dependence. The real alternative is a wide distribution of responsibility. Thus while Governor Pinchot has advocated a large program of national expenditure, he has also been working out practical policies of permanent value to Pennsylvania. Governor Roosevelt's program for New York State involves the expenditure of \$20,000,000 to be raised by extra taxes and to be used in connection with local programs for emergency employment throughout the commonwealth. This sum comes to about a dollar and a half per capita. It has been stated that New York City would find an extra \$70,000,000 for relief projects; but the program does not contemplate cash payments to idle people in lieu of wages. The earnings of the population in the metropolitan district run into billions of dollars every year; and the sums proposed for extra employment are relatively small.

Pushing the Self-help Program

UNDOUBTEDLY, President Hoover's conceptions will continue to include large expenditures for such federal works as can be prosecuted advantageously. His plans will coordinate public and private efforts all along the line, while especially encouraging communities, industries, voluntary relief agencies and private individuals to do their parts wherever they belong. In the rebuilding of the walls of Jerusalem, every man was told to find a job "over against his own house," with the understanding, of course, that his efforts would contribute toward the achievement of considered plans. With the President's committee at work under the leadership of Mr. Walter S. Gifford, and with states, cities, and local communities all engaged in tackling their own problems, there is no longer evidence of a disposition to wait for Congress to assemble and to talk us back, vehemently, into paying jobs and good prices. In short, there is a wel-

come change in the atmosphere, and certain rustivating Senators will find that they must adapt their oratory to new conditions. While they have been preparing speeches other people have been acting. The country is settling down in a more self-reliant mood, and is ceasing to think that Uncle Sam can open a box of tricks, to which some Senator holds the key, and thereby make all of us well off and happy.

Three Parties,
Not Two, in
Both Houses

UNCERTAINTY WILL CONTINUE to prevail for a few weeks in regard to the precise balance of parties in the new House of Representatives. There was nominal equality between Republicans and Democrats when the votes were counted last November. Several deaths have already occurred, and although vacant seats may be filled by temporary appointment, the division is so even that either one of the parties may succeed in placing its candidate in the Speaker's chair, and may organize the leading committees. Certain members from the Northwest, who control the Republican primaries in their own states but who do not support the Administration or conform to the decisions of Republican Congressional caucuses, may try to exercise a controlling influence in the organization of the House. The Senate also is almost exactly divided between Democrats and Republicans (real and nominal). The nominal Republicans will presumably insist upon retaining important Senate chairmanships, if certain real Republicans are to enjoy similar honors and powers. But in the last Congress these insurgents—claiming to be Republicans for the advantage of seniority committee places—lost no time in joining an acquiescent body of Democrats in a firm coalition opposing the Republican Administration. It would be far better for everybody concerned to recognize the simple fact that in our Congress, even as in the British Parliament, there are three parties rather than two. Actual Republicans would better serve their party and the Administration if they would admit the plain fact that the Democrats have a plurality in the Senate, and ought to be made to take the responsibility. If the real Democrats have a majority over the real Republicans in the House, it will be best for the country—and in some ways it will be advantageous to the Republican Administration—if the Democrats are permitted to elect their candidate for Speaker and to organize the principal committees. Third party men should wear their own uniforms, and cease to play a double game.

Keeping
Politics in
Restraint

ALTHOUGH ELECTIONS do not occur for the Presidency and for seats in Congress until November of next year, the preliminaries of the great political season are already undergoing constant planning and study. It will be difficult for men of character and public spirit to keep the party politicians within reasonable bounds. We have no difficulties that could justify an attempt to imitate our British friends who have merged party leadership in a temporary national government. But we might well imbibe something of the spirit of wisdom and restraint that the British people have shown in meeting a crisis. Our federal sys-

tem is so different in its structure and working from the British Government that no imitation of what has happened there would be possible here. But laying aside the differences of political and governmental machinery, and looking at the realities of human society, the British example affords us something to learn and even to imitate. The King in England represents the continuity of the nation's orderly life and best aspirations. A serious situation arises, involving the general welfare. The King asks party leaders to work together to dispel dangers that go deeper than party differences. Prime Minister Ramsay MacDonald parts company with his uncompromising trade-unionist support and agrees to work with leaders of the opposition, while in turn the Conservative chief, Stanley Baldwin, consents to serve in a cabinet headed by MacDonald, and to cooperate in a financial program with a Labor Chancellor like Snowden, and a Liberal leader like Lord Reading.

An Example
Well Worth
Considering

IN THIS COUNTRY the people are sovereign, and they have placed Herbert Hoover in the Presidency as their chief agent and representative for a period that will not end until the 4th of March, 1933. Mr. Hoover is intensely concerned about measures for the well-being of all of our people at home, while not forgetting that we are related in many ways to conditions beyond our boundaries. If a Democrat rather than Mr. Hoover had been placed in authority, he also would have been doing his best for everybody, with no distinction of party, of caste, or of creed. In the next election every voter must be free to exercise his preference. But this should not prevent his recognition of the immediate duty to help rather than to hinder the plans that are responsibly on foot for the general good. There is nothing partisan about Mr. Hoover's general committees; and these are heartily at work to support and coordinate the efforts of Democratic as well as Republican state authorities. What we are witnessing in England is a sense of fellow-citizenship and a spirit of loyalty and cooperation that are above party. Our different circumstances require a different mechanism; but the spirit of helpfulness and loyalty here, as in England, ought to rise above the mere game of party politics.

Freedom
Is Worth
the Price

FORTUNATELY, in the economic difficulties of every state and almost every community, Democrats and Republicans are to be found cooperating without showing any political self-consciousness. Men of both parties—accustomed to working together in machine shops, on farms, or in mercantile pursuits—know quite well that the conditions which depress business, and reduce the number of well-paid jobs, have to do with politics only in a remote and indirect manner. They are aware that individuals, families, and communities must for the most part fight out their own private and personal problems in bad times, precisely as they claim the right to freedom of opportunity in good times. It does not in the least follow that while "every man for himself" is a true saying, "the devil take the hindmost" is the necessary sequel. On the

contrary, the more valiantly every man strives to support himself, the more certain it is that the weak and the sick and the relatively incompetent will have good care taken of them. Along with the Scriptural injunction to bear one another's burdens is the clear admonition that every man is to bear his own burden. Happily, while certain Senators and other politicians have been making what would seem to be veiled threats against our system of self-directed economic life and our institutions of private property, the great mass of American workers hold resolutely to their belief in freedom and self-help. They would rather be temporarily out of a job than to be set at work under a system of slavery. Meanwhile, they are entitled to every possible help to find jobs; and unquestionably the helping hand will be forthcoming, and the tendency toward adjustment will become visible within a period of months.

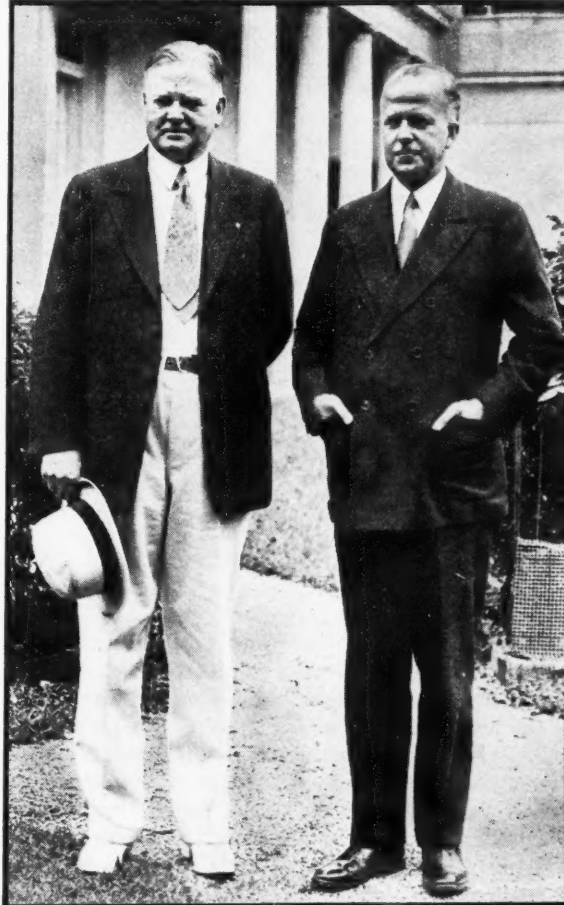
Town Life Is More Susceptible

WE DO NOT
LIVE in a
stagnant
country or

in an unchanging world. Remedies for present social disturbances and evils cannot therefore be precisely the same as those that have been applied in earlier experiences of economic crisis. Changes in production and distribution, that have enormously increased the total supply of useful and desirable commodities, have also brought about great shifts in population. A relatively smaller number of people, with improved machines and appliances, have been able to produce the nation's food. Higher standards of living, with popular demand for conveniences and luxuries such as had never existed before, have resulted in the massing of population in commercial and industrial centers. When the demand for commodities becomes slackened, sudden price changes occur and the unbalancing of the whole system of economic production and distribution becomes more visible, and seems more acute, than when our civilization was less urban and more rural in character. And yet it is true that times in the past have been far more distressing than those of today. Mr. Henry Ford is turning his attention to certain phases of this too rapid concentration of workers. He believes in the possibility of a certain amount, however limited, of alternative occupation in slack times.

Mr. Ford Encourages Aptitudes

EVEN IN GOOD TIMES, Mr. Ford would like to see the workers in his automobile plants housed in the midst of gardens. It is not merely that the garden would supply vegetables and fruits—although industrious families can, indeed, produce an appreciable part of their livelihood by giving a margin of their effort to gardens, poultry, and so on. It is, above all, the value of such avocations in developing initiative, and keeping alive the spirit of self-help, that is chiefly to be considered. The impatient theorist of socialistic views will, of course, sneer at such suggestions of self-help through partial return to the land. But hundreds of thousands of families, imbued with common sense and having the courage to work out their own salvation and to ask no favors, are proud of knowing how to cultivate a garden, to build a hen coop, and to stop a leak without sending for the plumber.



THE PRESIDENT AND MR. GIFFORD

Walter S. Gifford, head of the vast organization of the American Telephone and Telegraph Company, has been chosen by Mr. Hoover to plan and direct unemployment relief for the coming winter.

What Training for 25,000,000 in Schools?

THE PIONEER
AMERICAN
had not

only the spirit of self-help, but great practical versatility. We are not yet so far removed from pioneer times that our people are hopeless when they try to do anything besides running a particular machine in a factory. Sports and outdoor pursuits make our boys and girls strong, reliant, and capable. The schools

throughout the country opened early in September, with not less than twenty-five million pupils attending them. Colleges and higher institutions have increased rather than diminished their quotas of students. Our economic welfare for the next half-century is in no small measure dependent upon what is now said and done by teachers and pupils in schools of higher and lower grade. Can we keep alive the spirit of freedom and self-help, the sense of individual choice, and the belief in opportunities for self-advancement, while we also teach the advantages of coöperation and of associated life in the carrying on of social institutions? Certainly we are accomplishing wonders, through the schools and otherwise, in promoting the health and physical vigor of the younger generation. Upon the whole, the schools are doing something to create the feeling that life may be lived usefully and helpfully. Under the guidance of our foremost educational lead-

ers, the teachers are bringing the schools into a closer relationship to the actual concerns and interests of the community.

Returns for School Investments

YET IT REMAINS to do much more in this direction. In country neighborhoods it is taken for granted that boys can drive automobiles and tractors, and that girls can use a variety of new appliances. But lessons in mathematics and in elementary science might be made far more specific in relation to soils, crops, animals, machines, public utilities, local tax systems, road building, and many other matters of local importance, than is now the general rule. There is bookish routine in our schools, and deadly use of so-called "examinations" in the upward movement from grade to grade, that go far to destroy the real values that ought to be found in school life. Our students, from infant grades to the universities, will cost the country this year not thousands or millions, but actually billions of dollars. The people who pay the school taxes are "hard up," because their businesses are more or less on the rocks, their investments have fallen off in value, and their dividends are cut in half or altogether suspended. Nevertheless, they are finding it possible somehow to pay the taxes that keep fully one-fourth of our entire population in schools and institutions for some kind of instruction and training. Most of the people who pay the taxes that maintain these schools have worked their way in a free country, through ability and character. Their success has not impoverished others, but on the contrary it has created opportunities which have given relatively profitable jobs to millions of people who would otherwise be drifting down towards the level that prevails in China or India. The so-called rich or well-to-do are not grumbling much about their taxes. They know that the boys now in school, whose fathers perchance pay little or no direct taxes, will themselves become the large taxpayers of the next generation. There is nothing bad about this, and nothing to complain seriously about, although it would be a good thing if every citizen paid some direct tax—local, state, and federal—not as a burden but as a privilege, and as a mark of equality among citizens in a country governed on the plan of one vote for every adult.

Britain's Care for Workers

THE WORD "DOLE" has come into use in an unfortunate way. We have imported it from England, where it has an exact meaning. In America, speakers and writers employ it in different ways. It applies in Great Britain to a system of unemployment insurance that has been developed to large proportions since the war. Definite sums are distributed to registered applicants who are out of jobs, and the money comes from a central fund to which contributions are made by wage earners, employers, and the Government. In recent years the original sources have not maintained the fund at a high enough level to meet the demands. Consequently, this service has been borrowing heavily from the national treasury. A considerable item in the shortage of current British revenue as compared with expenditure is due to this

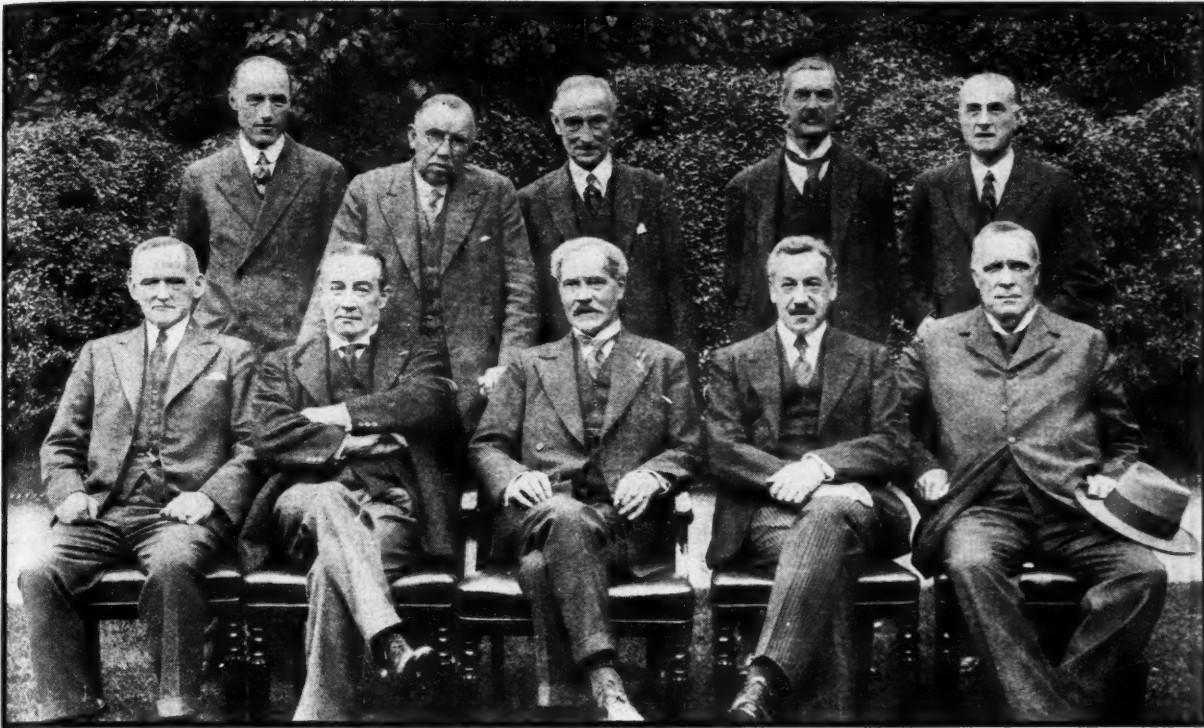
transfer of cash to the unemployment fund. It is not quite pleasant that this distribution in England should have come to be called a "dole." Workers do not like to be regarded as paupers, receiving more or less undeserved alms. It is hard to see just how any other system could be applied to the British situation. As was shown in an article in this magazine last month, the British population is too great for present conditions of industrial demand. Foreign trade, upon which millions of British workers were dependent, has declined. A far more intensive life in the sphere of domestic production and consumption must be brought about, but this will require time. Meanwhile, the drastic remedy of wholesale starvation cannot be employed, because the British are a highly civilized people. They would not allow any of their neighbors to starve, even if they thought themselves exempt from the danger of revolution and violence. Unemployment is chronic in England, and the best way to deal with it is through the payment of insurance benefits.

Federal Insurance Not Needed

BUT IT IS NOT YET PROVED that unemployment is to be chronic in the United States. England imports more than nine-tenths of her food supply, while the United States could readily produce twice as much food as our present population requires. The great war involved us in large foreign investments, and over-stimulated our foreign trade. But fortunately our economic existence is not dependent upon foreign markets, and we can live down our adventures in foreign investments, however misjudged and unfortunate many of them have been. We can adjust our production and consumption for the most part inside of our own tariff wall, regardless of the outside world. But as things now stand, it would be unwise to abandon our foreign investments, and both unprofitable and unworthy to cut ourselves off from a reasonable share in the movement of international commerce. We can afford to do something to help the recovery of Europe and South America. But our domestic situation is our chief concern, because much more than 90 per cent. of our normal business activity concerns strictly domestic transactions. Business can be so adjusted as to afford means of livelihood to all willing workers. The study of insurance and other policies, whether by industries or by State governments, for minimizing the hardships of unemployment in slack periods, is wholly commendable. But our federal government does not seem to be a proper instrumentality for the maintenance of a system of insurance benefits to be applied in localities throughout our forty-eight states.

The President's Plans for Coöperation

FAR BETTER IS THE SYSTEM that President Hoover has undertaken. Almost two years ago the President brought together prominent leaders in industry, transportation, agriculture, labor, and State and municipal administration, in order to find out what could be done to provide emergency employment. Railroads and industries entered upon large construction projects, while states and cities increased their employment of workers on roads and other public en-



RAMSAY MACDONALD AND HIS NEW GOVERNMENT OF COÖPERATION IN GREAT BRITAIN

Seated, in the front row, from left to right, are: Philip Snowden, Chancellor of the Exchequer; Stanley Baldwin, the Conservative leader, who takes the office of Lord President of the Council; the Prime Minister, Ramsay MacDonald; Sir Herbert Samuel, leader of the Liberals, who becomes Secretary of State for Home Affairs; and Lord Sankey, Lord Chancellor. Standing, from left to right, are: Sir Philip Cunliffe-Lister, President of the Board of Trade; J. H. Thomas, Secretary for the Dominions and Colonies; Lord Reading, Secretary of State for Foreign Affairs; Neville Chamberlain, Minister of Health; Sir Samuel Hoare, Secretary of State for India.

terprises. No one can doubt that measures of this kind gave employment to many thousands of people who would otherwise have been idle, while also resulting in the construction of permanent improvements which add to the nation's real wealth. This was far better than paying out money to idle people, whether in the form of insurance benefits, or as undisguised charity. A renewed effort is now under way throughout the country, because the period of depression is longer than had been expected, while the number of people out of work has increased. President Hoover has formed a large committee of which Mr. Walter S. Gifford is the head. The members of this committee are individuals of unusual training and experience; and their acceptance of the President's appointment has meant something more than nominal support in the President's plan. Back of the effort is the conviction that our states, cities, and minor localities, through a combination of public and private effort, can meet existing emergencies, so that we shall be able to continue our American system and avoid the danger of a top-heavy federal oversight of the pocketbook and the breadbasket of every family from Maine to California.

partly due to the fact that the states, one after another, have adopted the plan of a short session of the Legislature once in twenty-four months that there has been such a rapid acceleration of the tendency to throw the burden of sectional or local affairs upon the government at Washington. There is some sign of a change for the better. Governors have been calling extra sessions of the Legislature in various states, and more will follow. The idea has come to many of these states—as if it were a sudden and brilliant discovery—that they must find ways to settle their own problems. In Oklahoma and Texas, not to mention other states of the South and West, there has been an enormous overproduction of crude oil, due to a frenzy of speculation and a riot of unregulated competition. These states are sovereign over their own resources. They have vast wealth in their reserves of petroleum, and they have been throwing them away for a few cents a barrel when they ought to be worth many times as much. If they have not sufficient character and self-respect to conserve these resources, they must take the consequences. They become a nuisance to the rest of the world; but nothing short of war could divest them of responsibility for their own conditions.

The States
Discover
Themselves

LAST MONTH IT WAS remarked in these pages that if we could have fewer and briefer sessions of Congress at Washington, and longer and more frequent sessions of Legislatures to deal with their own state problems, the country would be much better off. It is

Oklahoma
Presents
a Path-finder

OBVIOUSLY, PROBLEMS of this kind have inter-state relationships, but this fact does not confer power upon the federal government at Washington to exercise control. No ill-conceived and foolish statute like the Sherman Anti-Trust Law can prevent the

sovereign States like Oklahoma, Texas, New Mexico, California and others, from holding conferences and harmonizing their policies upon some effective plan of petroleum conservation. Governor Murray of Oklahoma, acting temporarily in a dire emergency, declared military law, and closed hundreds of oil wells in the common interest of his state. He was advertising the fact to every commonwealth in the Union that it ought to mind its own business and settle its own problems. There is, indeed, much that can be done at Washington through executive influence and through general public policy, to help in the working out of various problems that do not belong primarily to the federal agency. Those who help themselves vigorously can always be assisted by various forms of outside encouragement and support.

Regulating Oil, on Two Theories

THE STATES MAY CONFER with one another about plans for restricting the production of crude oil. But if the large oil companies—engaged partly in the production of crude oil, and partly in refining it and in distributing gasoline and other petroleum products—should come together to agree upon a program highly beneficial to the public, they would be prosecuted under the Sherman Anti-Trust Law. Certain oil companies have been consulting about plans for merging their properties and coming under unified management. Twenty years ago the government brought suit against the Standard Oil Company as an illegal trust, and was successful. A number of separate companies replaced the parent organization. This proved advantageous to the original stockholders whose shares, scattered among many corporations, were multiplied in value. But it does not stand as a demonstrated fact that the break-up has been of any advantage to the people of the United States. It helped to promote a kind of competition that conduced to wasteful speculation. Oil may be regulated on conservation grounds, but it can never be regulated on the principles of the Sherman and Clayton anti-trust laws. Crude oil should be kept in the ground except as it is needed. This is mainly the problem of the states, and has nothing to do with the anti-trust laws. As for gasoline and other oil products, the public is served by our engineers and our research chemists, and not in the least by anti-monopoly politicians.

Bryanism Has Gone to Seed

WILLIAM JENNINGS BRYAN, who for many years was the foremost political leader of the anti-corporation movement, held to a simple rule of thumb by which he separated the good trusts from the bad ones. A trust, said Mr. Bryan, was harmless as long as it did less than 50 per cent. of the country's business in its own field of activity. But it had gone too far, and was tending towards dangerous monopoly when it controlled as much as 51 per cent. of the business. But nowadays the oil companies are so numerous and so fiercely competitive that the very largest of the mergers that have been proposed would not be regarded as controlling more than from 15 to 20 per cent. of the total business. Yet so mentally and morally blighting is the tradition that there is some-

thing sacred in the Sherman Anti-Trust Law—which at best was regarded at the time of its enactment as a dubious stop-gap against political prejudice—that its terrors are now evoked to suppress plans that Mr. Bryan himself would have pronounced as obviously harmless, and probably beneficial to everybody. The government at Washington should, of course, conserve the oil resources of our public lands including the so-called naval reserves. Its attitude toward past efforts of oil companies to bring order into the petroleum industry has not been due to lack of intelligence in the Interior Department, but rather to the survival of statutes that put commonsense to shame, and that compel the Department of Justice to institute proceedings that on their merits are tyrannical and ridiculous.

Freedom for American Railroads

THERE ARE WELCOME movements on foot for the liberation of business from political and governmental interference. Ours is the only country in the world which in these times is employing its government as an agency for the disturbance of an economic system that has earned the admiration of the entire world. There are no railroads in any country more carefully and honestly managed in the public interest than those of the United States. But we are rapidly expanding—into a system of positive and exhaustive interferences—what began as a system of merely negative governmental oversight by railway commissions. At one moment we tax railroads heavily, assessing them as if they were private property in the full sense. At the next moment we place direct restrictions upon their earning power, as if they were not private business enterprises. We subject all of their activities to a kind of hampering and dilatory regulation that exists in no other country. More than half a century ago there was lively competition among different sets of boomers and speculators, who were operating in the new regions west of the Mississippi. The traders and farmers who wanted cheap freight rates became more powerful in the western legislatures than the capitalists who were developing the new railway systems. State commissions were created, but they could not deal with the problems of interstate transportation. Hence there came into being the Interstate Commerce Commission. The railroads have now become great public service institutions, entitled to the fostering care of the country. They should be encouraged to undertake as many auxiliary forms and methods of transportation as possible. Through widely distributed issues of stocks and bonds, they are already owned and controlled by the public. They are managed by trained experts, who are highly useful citizens. At the present time they are in need of increased rates upon certain classes of freight. There will always be people who would like to enjoy railway service for little or nothing. Shippers will naturally desire to crash their way into other people's markets by a removal of the handicaps of distance. But the roads and their customers can best adjust differences. It is a menace to the freedom of the entire country to set up an irresponsible agency with power over the details of rate-making. Political price-fixing can be applied in any direction, and is useless.

**What of the
Alleged
"Power Trust"?**

AMONG THE MOST transforming developments of recent years has been the enlarged use of electricity for lighting and for industrial power. Coal is cheap, widely available, and always capable of supplying energy either for steam engines or for dynamos. In many places water power cannot yet compete with coal for the operation of electrical power plants. At Washington there is a Power Board that has ample authority and varied functions. In every state there are general and local commissions and authorities that regulate lighting rates and monopolistic services known as "public utilities." If our governments, national, state, and municipal, were serving us as beneficially and as honestly as we are being served by the capitalists, the engineers and the scientists who are supplying us with electric light and power, we would think the millenium had arrived, with very little about it to disappoint us. Our danger at the present time is not from corrupt and tyrannical business control, but from incompetency, selfishness, grafting, and corruption in the machinery of politics and government. There are no phases of the electrical industries at the present time that afford serious justification for the pretense that there is a menacing "power trust."

**Government
Has Its
Limitations**

OUR READERS will be enlightened regarding some aspects of actual government and politics if they read carefully Mr. Howard McLellan's article in our present number on pending investigations under Judge Seabury's direction in New York City. Let us not suppose for a moment that New York is the only city in which politicians plunder and victimize the community. It is not necessary to explain that in exposing abuses we are not lacking in respect for law and government. Neither are we charging the regulatory boards and commissions, whether at Washington or in the separate states, with any conscious improprieties. We are merely trying to encourage the reader to think clearly about the relations of government to business. There is no danger at all of a monopoly in the petroleum industry; but if such a monopoly were formed, it would have every conceivable motive for giving the public good service at reasonable prices. And if it failed to do that, it would be regulated out of existence in short order.

**An Economist
Draws the
Proper Lines**

WE ARE PUBLISHING an admirable article in this number by Prof. Richard T. Ely on relationships between government and business. Dr. Ely has had a longer experience than almost any other American economist of leading rank. He shares with Dr. Seligman, and perhaps one or two others who survive as active and influential thinkers, the honors that justly fall to those whose work in their fields of scholarly economic research has been both unflagging and continuously influential through half a century. Dr. Ely has seen great changes in his time; and with a scientific mind his present views and conclusions are not warped by prejudice due to situations no longer existing with which he was dealing in the early eighties of the last century. This survey by Dr. Ely may be re-

garded as introductory to a series of studies that will appear in succeeding numbers of this periodical, dealing with the relationships of government and business in specific fields of enterprise or industry. We have many voluntary movements and associations in this country that purport to exist for reasons of the social good. Just now we have active movements for and against Prohibition; for and against high tariffs; for and against Communistic activities; for and against Internationalism in the form of the World Court and the League of Nations. In politics we have seen continuing movements to foment prejudice against useful forms of business activity; and it is high time that there should be a strong counter-movement for the liberation of business from undue governmental interference. American business should be held strictly responsible for its dealings with labor, and with the public at large. But it cannot meet its responsibilities if it is divested of its right to manage its own affairs.

**Secretary Hyde
Analyzes the
Surplus Puzzle**

THE FARMERS WOULD BE well advised to cultivate the acquaintance of Hon. Arthur M. Hyde, Secretary of Agriculture. He has wide knowledge, sound judgment, and a quality of frankness that is rare in public officials. At our request he has written for us an article on the difficulties of maintaining balance between demand and supply of farm products. The article carries his own picturesque title of "The Agricultural Teeter Board." As an ex-officio member of the Farm Board, Secretary Hyde is in a better position to survey American conditions from the standpoint of the growing and marketing of staple crops, live stock, and all farm products, than any other man in America. He is not in the least abashed or apologetic on account of positions that have been taken by the authorities at Washington. When the Farm Board came into existence, we commented in this periodical on its possibilities of usefulness, attaching much less importance to its use of emergency funds than to its normal functions as a clearing house for sound farm marketing movements and policies. Mr. Alexander Legge, as Chairman, had the same quality of frankness that the former Governor of Missouri shows in his present office as Secretary of Agriculture. If the agricultural states had taken the advice of Mr. Legge and Governor Hyde, as given last year, they would have found themselves relatively prosperous at the present time. Of all the suggestions for dealing with the cotton situation, that of the Farm Board—which was so scornfully rejected—was by far the best. Economic law will assert itself in due time; but meanwhile the states could classify their lands, change their tax systems, and help in various ways to reduce unprofitable crop acreage and to encourage coöperative marketing.

**Agriculture
at Home and
Abroad**

SENATORS WHO STILL propose to solve our farm problems by paying export bounties will find it hard to substitute present facts for old theories; but even Senators can learn something if their constituents take them in hand. Our cotton has a great place in foreign markets, and we should hold it by all reasonable means. If one-third of this year's crop had been de-

stroyed in the field, we should have held these foreign markets, and made money on the total crop. The proposal to plant no cotton at all next year—alluring and sensational as it is—hardly bears close analysis. For wheat and staple food products, our production ought to be held fairly close to our own normal domestic consumption. We cannot apply foreign methods to our own situation, but of course we can learn—whether for better or worse—something from the experience of every country. France lives closely at home, and the teeter-board oscillates less violently. England has relied too much upon exports and imports, and is now proposing to build up home production and to give more work on the home market plan. This may require, at least as an experiment, the erection of a tariff wall of an average height of 15 to 20 per cent. on all materials including food.

**The Lesson
of United
Purpose**

THE POLITICAL ASPECTS of the fall of the Labor Cabinet and the formation of a temporary coalition government are discussed in this number by Mr. Simonds, with his exceptional knowledge of British men and affairs. What we have to learn from recent British changes and experiences is not so much one lesson or another in taxation or public finance, as the deeper lesson of party self-denial and united effort in emergencies. The world has looked on with admiration and respect for the King, as well as for Mr. Ramsay MacDonald, Mr. Baldwin, and many other leaders. In the United States we do not suddenly reorganize cabinets, but we have other ways of commanding the coöperation of leaders. Mr. Gifford accepts the President's call, and gives his time and experience to organizing the country for emergency relief. Mr. Owen D. Young, one of the country's most eminent citizens who happens to be a Democrat, takes the chairmanship of one of the three or four most important committees in Mr. Gifford's organization. Mr. Eliot Wadsworth, returning from an absence of several months in Europe, turns at once from affairs that center in his office at Boston, to take the chairmanship of another of these committees, that of the coördination of voluntary agencies throughout the country; and these are but instances of the widespread spirit of coöperation.

**Mr. Wadsworth
Inspects
Russia**

MR. WADSWORTH SPENT a part of his summer in Russia, a country with which he has had much previous acquaintance; and we are fortunate in having the opportunity to present to our readers in this number some views of present Russian conditions as Mr. Wadsworth formulated them upon his return early in September. It would be hard to find any observer of fairer mind or sounder judgment than Mr. Wadsworth, whose far-reaching activities as a business executive, a director of Red Cross and other philanthropic activities, and a Treasury official at Washington, have made his name and his views respected everywhere. American readers might do well to set Mr. Wadsworth's impressions in contrast with the ecstatic praises of Soviet conditions that were recently sold to American newspapers by the brilliant English Socialist,

George Bernard Shaw. In his article published in the *New York Times*—eulogizing Communistic plans and achievements, after several days spent under Soviet auspices—Mr. Shaw, by way of sharpening the contrast, stated as a well-known fact that several million families in the United States are actually starving at the present time. We have only to answer that if Mr. Shaw can find out about a single family that is starving, it would be necessary only to telegraph the case to Eliot Wadsworth in care of Mr. Gifford's committee at Washington. Local agencies, official or voluntary, would be notified at once, and effective relief would be applied at any point in any one of our forty-eight states within twenty-four hours. It is enough to say that Mr. George Bernard Shaw's information about what is going on in the United States may be regarded as precisely as accurate as his statements about Russia. This English dramatist sets great store by the Socialistic dogmas which he has proclaimed without change for more than fifty years; but he is disdainful of anything so ordinary as information. In the sphere of economics and politics, Mr. Wadsworth, on the other hand, prefers to base conclusions upon essential facts.

**Gov. Roosevelt
Champions
Country Life**

THE EDITOR HAS COMMENTED more than once in previous numbers of this periodical on the capacity of villages and farms in the rural districts to afford at least temporary refuge to a considerable number of people who are without work in cities and industrial centers. For many of these people to seek such retreat is merely to go back home. Farming in one aspect is a business pursuit, but in the more traditional view it is a manner of living. Letters to several eastern Governors have brought timely and interesting responses. The Governor of New York, Hon. Franklin D. Roosevelt, has studied the resources and the occupations of the people of the Empire State by close personal observation in every county. His views of the need for decentralization of industry, and the revival of rural villages and neighborhoods, are expressed by him not merely as an attractive theory but also with strong practical arguments, as shown in an article that we are glad to publish.

**Pennsylvania
Falls Back
Upon the Land**

HON. GIFFORD PINCHOT, Governor of Pennsylvania, has been recognized for several decades as a leading authority upon country life in every aspect. Under date of September 4, he writes to the editor a letter, which though brief, summarizes much valuable and timely information, and from which we quote the following:

The reports of our Agricultural Department indicate a considerable movement back to the farm in Pennsylvania. This movement includes two different classes of people: First, unemployed or part-time employed parties who have saved sufficient capital to purchase small tracts of land; and second, the unemployed who are down and out and must come back to immediate relatives in the country.

This movement of unemployed to rural communities is reflected in part by the statistics on farm labor supply and demand. During the past year the demand for farm laborers has dropped 9 per cent., while the supply has increased 14 per cent. This situation is quite typical of all sections of the Commonwealth. Some decrease in demand for farm

labor is due, of course, to retrenchment by farmers owing to restricted incomes.

Reports also indicate a movement on the part of industrial executives to encourage employees to raise sufficient vegetables to meet their major needs during the summer and for canning for use during the winter.

The tendency for unemployed people to shift back to our small country villages is recognized by this administration. The improvement of 20,000 miles of rural roads located in townships throughout the Commonwealth is absorbing thousands of these unemployed people.

Maine and Its 40,000 Farm Homes

HON. WILLIAM T. GARDINER, Governor of Maine, tells us that in Northern New England as in New York and Pennsylvania, many thousands of men are being employed in improving the strictly local roads that lead from the farm to the main highways. As to agriculture in general, in this northeastern State, Governor Gardiner writes as follows:

The census of 1929 showed that Maine had about 39,000 farms. We accept this as an estimate only; we do not feel that sufficient care was taken in some of the smaller communities. Since the census was taken it is estimated that there has been a slight increase in the number of farms operated, probably an increase of 1000. This has been brought about to some extent by absorption of unemployed from the cities. I cannot recommend any wholesale solicitation of unemployed persons to leave the cities and settle on the farms. For those who are adapted to life on the farm the possibilities of a good living are favorable. Curiously enough, adaptation to farm life does not always follow their previous experience in farming, and sometimes men without experience can take up farming successfully. Under present-day farming methods it is almost essential to have adequate capital. The farmer who is handicapped by lack of equipment has a difficult problem.

If a person has even a small cash income, a good living can be had on a farm, but in these days of over-production, which obtains also to some extent in farm products, it is difficult to market enough to produce a cash income on a small farm.

In Maine we have over 11,000 men employed on highway work, and are improving this year about 500 miles of State-aid and third-class road. This system comprises our secondary routes that lead off the main highways.

Vermont and Its Fertile Valleys

WE HAVE NO FINER or more typical farming state in the Union that Vermont, and no commonwealth more famous for the spirit of self-reliance that has always characterized its intelligent citizenship. Governor Stanley C. Wilson reports unusual activity in the farming districts, and we quote as follows from his letter of September 3:

We have no figures available here in Vermont to show how much we have been affected by a "back to the land" movement during the past two years. I am able to say, however, from information largely gathered from our Publicity Department that there has been a decided increase in the number of purchasers of country real estate this year by people heretofore resident outside the state of Vermont. Real estate agencies are reporting a decided increase in activity in country properties.

Correspondence in my office indicates that there are many people now considering the wisdom of country residence. There is no doubt that a person can live comfortably and respectably in the country, either on a farm or in a small village, for perhaps half the cost of living in a large city. Some of the city unemployed are doubtless coming to us now. We are endeavoring to find out with some approximation of accuracy the number of new residents in the state due to this movement.

Eastern States Build Rural Roads

TENDENCIES IN NEW HAMPSHIRE seem to be similar to those in Maine and Vermont, while in the rural parts of Massachusetts and Connecticut there are reports of returning sons and daughters, and of unusual effort in road-making and local improvement. On behalf of Governor Cross, Hon. S. M. Buckingham, the Commissioner of Agriculture for Connecticut, reminds us that "the new state appropriation for the improvement of dirt roads (\$17,500 a year to each town) is helping materially in those few towns in which there is an unemployment problem." It should be explained that in New England the local division known as "town" corresponds to the township of states farther west. A letter from Hon. Lewis G. Hines, who is the director for Pennsylvania of the U. S. Employment Service, informs us that there is ample supply of farm labor to meet demands of late summer and early fall, and emphasizes the point that there is not only a tendency from the city back to the country, but particularly the young people who, two or three years ago, would have been going away from home to find jobs in Pittsburgh, Philadelphia, or other centers, are glad to stay at home and help with farm duties.

Chicago Organizes Education

WE ARE PUBLISHING a Chicago article that would cause the average European reader of American news to gasp with surprise if it were brought to his attention. News from America in the European press—and especially news from Chicago—is devoted chiefly to racketeers and crime. Mr. William A. Dyche writes of education and philanthropy from the standpoint of its organization in Chicago, as a center of culture, enlightenment and progress. It happens that many different things can be true at the same time. Along with faults and scandals, Chicago has its shining virtues. Mr. Dyche is business manager of Northwestern University, which carries on its general academic work in the beautiful suburb of Evanston, and concentrates professional and business schools in a splendid group of buildings in the heart of Chicago. At the editor's request, Mr. Dyche tells our readers how Northwestern University acts in a supervising capacity in relation to a great number of separately conducted services and institutions for instruction or for public welfare. One of these affiliates is the Institute for Economic Research, founded and directed by Dr. Richard T. Ely, author of a significant article in our present number. That a university has advantages for the coördination and control of various social activities and special kinds of study and research, is convincingly explained by Mr. Dyche. The University of Chicago has also accomplished notable mergers and extensions.

The Better Will Conquer the Worse

NEW YORK UNIVERSITY, serving the metropolis so usefully in various ways, enters upon its second century with general congratulations, and we hope next month to tell something of its expansion and methods. Columbia, with its famous group of affiliated institutions, has become under Dr. Butler's leadership one of the greatest of the world's academic cen-

ters. In Chicago, as in New York, the universities complement each other. We are publishing an article by Mr. Howard McLellan on the results thus far of Judge Seabury's investigations of the courts and the city government. In due time the educational forces of New York and Chicago, working ceaselessly and permanently, will triumph over transient phases of misgovernment and crime. It is true that our life as socially constituted presents sharp inconsistencies and painful contrasts. But the very fact that our communities have the power to admit and to analyze their shortcomings, in the endeavor to overcome them, shows well enough that we are not decadent even though we are more or less turbulent. We have hitherto devoted attention in our pages to "human relations" as a subject of research by scientific methods. Notably at Yale University, as set forth in our June number, they are studying the problems of society by methods as searching and patient as those in the laboratories of chemistry, physics, and biology.

Rational Methods and Leaders

IN OUR OPINION it is infinitely better to meet the issues that arise in our industrial and political society by a scientific treatment of facts and conditions, in order to discover remedies, than by noisy agitation and inflamed appeals to the spirit of revolution and unrest. The whole world has breathed more hopefully by reason of the decision of Ramsay MacDonald, and his small group of courageous and mentally balanced associates, in favor of orderly and united progress at a time when critical conditions might have had revolutionary results. Whatever may come of the second Round Table Conference on the problems of India, it may be said with truth that the world was thrilled when it heard Gandhi's voice over the radio just after his arrival in England, on Sunday, September 13, proclaiming his hatred of war and his doctrines of human brotherhood and rational adjustment.

Hard Facts and the Open Mind

THERE ARE MANY people who are afraid they might be lost, in a world of confused ideas, if they ceased to cling desperately to the anchor of their prejudices. What an amazing thing it would be if Senators Brookhart and Norris—and even Borah—should exhibit open-mindedness and a willingness to learn, within the realm of easily ascertainable facts. The unscientific mentality, as exhibited by individuals who have some prominence in government, in church, and in other spheres of activity or opinion, is a very troublesome and stubborn obstacle to harmony and progress. Certain people who call themselves progressives have merely the bourbon quality of mind that "forgets nothing and learns nothing," holding to the shibboleths of a generation whose controversies have no present force or meaning. It is encouraging to see free-trade traditionalists in England yielding their cherished dogma to the hard logic of changing facts. A little more open-mindedness on the part of the Trade Unionists, with a frank acceptance of facts as they are, would be of timely service to a country that needs wisdom and accommodation rather than backward-looking stubbornness. In like manner it would be for-

tunate in this country if the American Legion should follow the advice of so wise and true a friend as General Harbord, and withstand the onrush of those who have planned to lead a mass movement upon the Treasury.

Consider Problems on Merit

THERE IS SPECIAL NEED of open-mindedness about large questions of American policy. As regards unemployment, the difficulties can be met by coöperation of voluntary and official agencies, with strong emphasis upon local responsibility. Looking at world conditions, the greatest need is that of disarmament, and the abandonment of all lurking militaristic designs. No country needs an expensive navy; but the United States must maintain naval efficiency until the nations shall abandon navalism. The World Court has divided in such a way on the question of the right of Germany and Austria to form a tariff union, as to hurt the prestige of that tribunal in many quarters. This, however, is technical, and does not affect the sound principle that there must be tribunals to settle disputes. Austria is in the midst of political as well as economic difficulties, and continues to illustrate the glaring unwisdom that was exhibited in some of the geographical changes that followed the war. Here again open-mindedness, in Paris as well as in Berlin and at Geneva, ought to bring about the re-study of all pending questions. As for reparations and debts, if the one-year moratorium is not enough, why not justify a five-year moratorium by removing political obstacles?

Taxation and the Bootlegger

WE HAVE ALWAYS with us the problem how to take money away from private individuals to pay public expenses. For the most part, taxation questions belong to the States. The prevailing method of taxing farms and real estate on assessed valuation merely adheres to an old-time custom that was never very satisfactory, and that has now become almost intolerable. There is a limit to the extent to which discriminating income taxes can be extorted from the few for the benefit of the many, who yield their own sense of justice to the fallacies of vote-seeking demagogues. The best current example we have of a really successful and fair levy is the tax on gasoline. In raising an extra sum for employment relief, Governor Roosevelt recommended the easy expedient of adding to the state income tax. In practice this may have been convenient, although in principle it was unjust. Everywhere people are talking about the tax-exempt liquor business. Uncle Sam gains a little revenue from it by turning an army of detectives and accountants loose, to get at the income of bootleggers, and to make them pay back taxes plus penalties. Since beer, wine and stronger alcoholic beverages are now almost everywhere distributed, by hundreds of thousands of dealers and agents, is there not some way by which the traffic itself could be made to yield public revenue? Is it too much to ask prohibitionists to take up the question with open-mindedness? We are not inviting them to sacrifice any principles. We merely suggest that it is time to study facts with a common purpose to beat the bootlegger and to give the Treasury its due

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History in the Making

From August 12
to September 12

PRESIDENTIAL TIM-
BER? Alfalfa Bill
Murray, Governor of
Oklahoma.



Unemployment

The specter of the 6,000,000 ...
Mr. Gifford takes a new job ...
The dubious dole.

ALLEN T. BURNS, executive director of the Association of Community Chests, tells President Hoover (August 12) that his organization can undertake the whole burden of unemployment relief this winter. Organization has been completed in 227 cities, each to provide for its local needs.

The President appoints (August 19) Walter S. Gifford, president of the American Telephone & Telegraph Co., head of an organization to meet the unemployment crisis this winter. He instructs Mr. Gifford to use his own judgment as to how to proceed with the work, which is to coordinate the efforts of national, state, and local organizations already engaged in unemployment relief. Last year's Emergency Committee for Employment will be merged with the new organization.

A telegram from Governor Rolph of California, received as the President and Mr. Gifford depart for a week-end discussion of unemployment at the Rapidan camp, endorses the President's method of caring from unemployment without a dole. It says, "California will care for its own unemployed."

Governor Roosevelt of New York announces to the Legislature, in special session, his plan for assuring relief by local rather than federal means (August 25). It is to raise a \$20,000,000 fund by increasing all income taxes by one-half.

Determined opposition from the Administration meets the veterans' move to have Congress decide to pay now the maturity value of the veterans' insurance bonus (September 3). The move has considerable political support. But figures collected by the veterans' organizations, under the 50 per cent. loan law passed earlier in the year over the President's veto, indicate that most of the money given out went to veterans who had work and did not need aid.

Of the \$823,723,947 expended, only 32 per cent. went to unemployed men.

In a nation-wide radio address, Silas H. Strawn, president of the Chamber of Commerce, declares (September 9): "We American citizens cannot permit the unfortunate to starve in a land of plenty. On the other hand we must not, by the exercise of our usual liberality, encourage vast numbers of those unemployed in the belief that we are about to establish a system of doles, private or governmental. To precipitate such a condition would be a greater calamity than any that has yet befallen this country."

Depression

Down go taxes, foreign trade, farm prices... But up goes electric consumption.

INTERNAL REVENUE tax collections for the fiscal year ended June 30 show a drop of 23 per cent. from the previous year, it is announced (August 16). Last year, \$2,410,259,230; this year, \$1,860,040,297. Income taxes caused the drop, with tobacco and other taxes holding up comparatively well. By states, Georgia showed the largest drop.

A new low level for recent years is reached in U. S. foreign trade for the April-June quarter, according to the Department of Commerce (August 16). The figures are:

	1931	1930
Msde. exports	\$606,000,000	\$946,000,000
Msde. imports	540,000,000	843,000,000

Assurance that the public utilities would spend \$600,000,000 for new construction is given President Hoover by the National Electric Light Association (August 18). Paul S. Clapp, of the organization, says that utility earnings are down less than 1 per cent., and that the sale of household electricity is actually increasing.

Farm prices were down to 75 per cent. of pre-War on August 15, the Department of Agriculture announces (August

29). The index is 33 points below that of a year ago. Meat animals show no change in a month, however, and prices for dairy products and poultry rise.

Dwindling revenues lead the Treasury to announce an offering (August 30) of long and short term bonds, totalling \$1,100,000,000, at new low rates since the War. The long term issue of \$800,000,000 will mature in 24 years, and pay 3 per cent. The short term issue of \$300,000,000 matures in one year and pays 1½ per cent. In contrast to offerings earlier in the year, at higher interest and shorter maturity, the long-term issue is barely oversubscribed.

Senator David A. Reed of Pennsylvania and Representative Bacharach of New Jersey, both administration leaders, suggest (September 10) new taxation to meet the deficit that may reach the stupendous total of \$1,500,000,000 next year. Reed suggests a general sales tax of one-half of 1 per cent., say to yield \$2,000,000,000 annually. He also recommends larger inheritance taxes, and repeal of the capital gain and loss tax. Bacharach urges a sales tax only on luxuries, but increases in income surtaxes, inheritance taxes, and a gift tax.

The gross income of farmers from crops for the season ended last spring shrank 22 per cent. over the previous year, the Department of Agriculture announces (September 11). This year's crops were worth \$9,300,000,000, and last year's \$11,900,000,000.

Wickersham Reports

Crime is complicated... and expensive... but the foreign born are not to blame.

IN ITS LONGEST report, 250,000 words, the Wickersham Commission finds (August 16) that it "is impossible comprehensively to discuss the causes of crime or factors in non-observance of laws." The causes are too complicated. But the report gives findings of experts, who place responsibility upon unemployment, political influence in enforcement, defective

mentality, bad environment, improper family life, and the complex system of laws. Henry W. Anderson, of the Commission, thinks too many laws are responsible, and suggests a federal Institute of Human Research to study the individual's place in society, with special reference to crime.

America's crime bill is so large and so indefinite that it cannot be computed, according to the twelfth Wickersham report (August 21), which puts it at more than a billion dollars a year. Rackeering, or organized extortion, is so great a force that the Commission recommends a separate federal investigation, adequately financed. Prohibition is found to account for no less than two-thirds the cost of federal administration of justice, which totalled \$52,785,202 in the fiscal year 1929-30.

After a two-year investigation, the Wickersham Commission declares (August 23) that the foreign born, almost habitually charged with the greater share of crime, actually "commit considerably fewer crimes than the native born." Four million were studied. An investigator for the Commission says: "It is easier to charge our crime record against immigrants than against an inefficient and corrupt system of police and an outworn system of criminal justice." The Commission suggests, however, further investigation of the part played by native children of the foreign born.

Oil

The National Guard raises prices

A THOUSAND Texas militiamen patrol the oil fields of East Texas (August 17). Under orders from Governor Ross Sterling they have closed, without disorder, 1,631 oil and gas wells. This follows the similar action by Governor Murray of Oklahoma, who closed the independent, unprorated wells of Oklahoma when oil was down to 30 and 40 cents a barrel.

One Oklahoma company offers 77 cents a barrel, or 25 cents above the present top (August 18). But Governor Murray holds out for his declared price of a dollar a barrel. The action of Oklahoma and Texas, in calling on the National Guard to close unregulated wells, takes about two-fifths of the American production off the market. Oil prices tend to rise through the month, but do not reach Governor Murray's figure.

Farm Board

Cotton is not plowed under . . . Brazil trades, China and Germany buy . . . The Board admits learning a lesson.

A DRASTIC recommendation that cotton growers themselves take action, in view of overproduction, is urged in a telegram from the Federal Farm Board to the Governors of fourteen cotton states (August 12). To avoid the huge surplus that threatens "direct disaster to cotton-producing states and indirect distress to the nation," the Board urges that every third row of cotton be

plowed under. It hopes thus to get rid of 4,000,000 bales of an estimated new crop of 15,584,000. Otherwise fall may find the United States holding 24,500,000 bales, only 13,000,000 of which could be absorbed.

Replies from cotton state Governors begin to come in, seven of them negative (August 13). Subsequently further opposition develops, and the recommendation is dropped.

James C. Stone of the Federal Farm Board, announces (August 21) that it is trading 25,000,000 bushels of wheat to Brazil for 1,050,000 bags of coffee. Brazil will bring the coffee and collect the wheat, which is traded even otherwise. American shippers object to this arrangement. It is held the first international commodity barter in modern times, and it is the first large disposition of wheat collected in the Government's futile effort to stabilize prices.

To suggestions that the Farm Board purchase cotton to keep up prices, as it did last year, acting chairman Carl Williams says (August 31): "The Board has discovered, and hopes the American people have discovered, that continued purchase in the face of overproduction is not the remedy for the situation."

China will buy about 15,000,000 bushels of the Farm Board's wheat surplus, President Hoover announces (September 4). It will be used to feed refugees in the flood-stricken Yangtze Valley. Payment will be made in Nationalist Government securities, due in the three years and paying 4 per cent.

Berlin announces (September 8) that the German Government will buy 7,200,000 bushels of the Farm Board's best quality hard winter wheat surplus. Payment will be made on December 31, 1934, with interest at 4½ per cent.

Chairman James C. Stone of the Federal Farm Board declares (September 9) that the Board will not ask further appropriations, confirming the fact that buying to stabilize prices is over. After recent sales the Board has about 200,000,000 bushels of wheat and 1,300,000 bales of cotton. There are comparatively small amounts of other commodities.

Reparations

The Wiggan Committee stays up late at night, and urges that reparations be revised . . . National City Bank agrees.

FIFTEEN MINUTES after midnight (August 19) the Wiggan Committee, under the World Bank at Basle, signs its report on the health of German finance. Signature is made possible by agreement between German bankers and their creditors to prolong for six months \$1,000,000,000 in short-term credits. But permanent improvement, the report declares, depends on political stability between Germany and her neighbors, and upon Germany's obligations, both private and public. In thinly veiled language the committee recommends a downward revision of reparations.

A blight is cast over business everywhere because of uncertainty as to what will happen to war debts and repara-

tions after July 1 next year, when the Hoover moratorium ends. So declares the monthly letter of the National City Bank of New York. "If the political situation (in Europe) could be improved . . . and business relieved from concern over the possibility of a premature attempt to force resumption of debt payments, we believe that these would be the most constructive steps that could be taken toward improving the public psychology and bringing the depression to an end."

Europe rather than the United States should ponder the National City Bank statement on debts, according to informal statements of the Administration (September 1). But there is a hint that the Government might consider cutting war debts if reparations are cut at the same time. If true, this is a new high mark in American willingness to consider the subject.

Great Britain

His Majesty breaks a vacation . . . A Socialist rescues the pound . . . The Mahatma sails second class.

LONDON FINANCIAL and political circles continue anxious (August 13). Cabinet sittings consider what begins to appear as a national emergency. Former Premier Baldwin and Neville Chamberlain, Conservatives, arrive from vacations in France and Scotland to confer with Prime Minister MacDonald. The report of the May commission forecasting a budget deficit of \$600,000,000, though hardly noticed when issued, August 6, has unsettled Britain's political structure and undermined the security of the Bank of England.

Trade Union chiefs refuse further negotiations with Prime Minister MacDonald on his plans to pare expenses and raise additional funds to balance the budget. (August 21). Their approval is supposed to be essential if the Labor government's financial measures are to succeed.

King George hurries to London by night train from a vacation recently begun at Balmoral, Scotland (August 22). Prime Minister MacDonald spends Sunday (August 23) in conferences with his ministers and with Stanley Baldwin and Sir Herbert Samuel (head of the Liberal Party in Lloyd George's illness), and twice sees the King. He displays great agitation. It becomes known that the recent \$250,000,000 Franco-American loan to the Bank of England, thought untouched, has been nearly exhausted. The trade unions remain intransigent on the dole, which Chancellor of the Exchequer Snowden wants to cut 10 per cent. as part of the economy necessary to balance the budget.

Britain's second Socialist government resigns (August 24). Prime Minister MacDonald retains his post at the request of the King, with the purpose of forming a National Government which shall stay in office only long enough to balance the budget. All three parties will be represented, but will shelve partisan matters. MacDonald could not

carry Henderson and others of the trade-union element with him, and chose British economic stability at a cost of his leadership of the party to which he has devoted his entire mature life. The trade unions begin to refer to him and to Philip Snowden as traitors.

The National Government, whose mere existence has already restored confidence in Britain, is announced (August 25). MacDonald and Snowden remain at their posts. Stanley Baldwin takes the nominal office of Lord President of the Council, and will be the government's leader in the Commons. There are only ten cabinet posts in place of the usual 20 or 21. Four are held by Laborites, four by Conservatives, and two by Liberals. Among lesser officials, not holding Cabinet rank, is Sir Austen Chamberlain, Foreign Secretary in the last Conservative government.

King George resumes his vacation in Scotland (August 26). After the crisis legislation is out of the way—there is a probability of a general election, sometime before Christmas. Tom Shaw, Secretary of War in the fallen Labor Cabinet and held over, does not stay. His place is taken by the Marquess of Crewe, a Liberal.

The Trades Union Council, the National Executive Committee of the Labor Party, and the consultative committee of the Parliamentary Labor party issue a strong left statement repudiating MacDonald. They declare that the new government holds office without authority from the people, and that it seeks a complete change in national policy not because the nation cannot afford to provide for its unemployed, but "primarily because the financial interests have decided this country is setting a bad example to other countries in taxing the rich to provide necessities for the poor."

A loan of approximately \$400,000,000 is arranged for the new British Government (August 28). Half is from the United States and half from France. The American share is held by bankers, headed by J. P. Morgan & Co. Half the French share will be offered the public at 4½ per cent., for one year.

The Labor Party names Arthur Henderson its chief, in place of Ramsay MacDonald, now an outcast (August 28).

Scantly clad in loin cloth, sandals, and scarf, Mahatma Gandhi sails on the *Rajaputana* (August 29) for the London Round Table Conference which is to determine India's future. "They will know now who represents the Indian people," says Mrs. Sarojini Naidu, fellow delegate to the Conference. Gandhi sails on a lower deck, far aft, as an ordinary second-class passenger. The only special arrangement is a private kitchen, set up on deck. His diet is chiefly goat's milk and dried fruit.

Britain's new National Government receives a vote of confidence, 309 to 250, as Parliament meets in special session (September 6). The day is marked by bitterness unusual on an opening day, the division being along class lines.

The long-awaited economy budget

figures are presented in the Commons by Chancellor of the Exchequer Snowden, to the jeers of Laborites and the cheers of Tories (September 10). For details see page 83.

League of Nations

International Army? . . . Amends to Mexico . . . Our Doctrine Denounced.

BRITAIN'S REPLY to the League's request for armament figures is published (August 22), but no mention is made of the political requirements for disarmament which the French hold supreme. Army effectives are 144,522. Navy effectives, 96,042. Air effectives, 30,118. Dominions' figures are excluded, though not British troops stationed in the dominions and possessions. They are the fullest figures ever issued by Britain, more complete than those of the United States. These League figures—previously given by the United States, Belgium, and France—offer a far more accurate means of comparison than any previous set, being all based on the same schedule.

If the coming World Disarmament Conference is not to fail, and set the world off on a new road to war, says Joseph Paul-Boncour of France (August 31), all nations must place their armed forces under the League in event of an aggressive war. This statement of Mr. Boncour, who is chairman of the foreign affairs committee in the Chamber, is not official but evidently has government approval. It meets with little approval in Washington and elsewhere, except in countries whose interests are identified with France.

An invitation to Mexico to join the League of Nations is issued (September 8) to Mexico, by the Twelfth Assembly, now in session. Mexico has steadfastly refused invitations in the past, since it had been omitted from the list of nations invited originally to join the League. Wilson and the British were responsible for the omission; the Huerta régime was held illegitimate by the War President, while the British objected to Huerta's attitude on oil.

In the first speech ever made by an Italian Foreign Minister before the League Assembly (September 8) Dino Grandi urges "an immediate general agreement with a view to arriving at the suspension of the execution of their new armament programs" at least until the disarmament conference is over. The idea meets with little favor, but the speech is hailed as remarkably pacific in tone.

Mexico, accepting the League of Nations' offer of membership, repudiates the Monroe doctrine in veiled language (September 9): "Mexico . . . has never admitted the regional understanding mentioned in Article XXI of the League Covenant." This article reads: "Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as . . . regional understandings like the Monroe doctrine."

Germany

Crash go stock prices . . . Crash goes Anschluss.

THE REICHSBANK reduces its discount rate to 8 per cent. and its collateral loan rate to 10 per cent.—down 2 per cent. each (August 31). All summer financial emergency has led to higher rates, and the decline is made possible by the temporary success of German measures to avoid financial collapse.

Stock prices fall 25 per cent. to 40 per cent. when the Berlin stock exchange reopens (September 3) for the first time since July 11. There are so few bidders that offerings are rationed. The crash was anticipated, owing to declines everywhere during suspension of trading in Germany.

Austria and Germany formally renounce their plan for economic union, at the opening meeting of the European Union Commission in Geneva (September 3). They do so two days before the World Court's decision on the proposal is to be handed down. Economic disaster has made them give in to French demands, that nation insisting on rejection of the proposal as subversive of the Versailles Treaties, the basis of French supremacy since the War.

The World Court at The Hague holds (September 5) that the proposed Austro-German customs union is incompatible with the 1922 protocol under which the League of Nations made a loan to Austria. Frank B. Kellogg of the United States and six others dissent, making it an 8 to 7 decision. Seven of the majority (all except Dionisio Anzilotti of Italy) hold also that the proposal infringes the St. Germain treaty made with Austria after the War.

Jugoslavia

A dictatorship ends.

KING ALEXANDER announces (September 2) the end of his dictatorship and a return to parliamentary government. After ten years of dissension, especially between the Serbs and Croats, the King assumed a dictatorship in 1929. The return of democratic methods is accompanied by cabinet changes and regulations looking to the formation of a Yugoslav political party, to avoid the strife between parties which nearly wrecked the kingdom.

Italy

Church and State make up.

SETTLEMENT of the Italo-Vatican clash, which earlier in the year caused severe rioting and great tension between Church and State, is announced (September 2). Catholic Action, the organization around which the dispute centered, is clearly defined as a religious organization. The Fascist government had charged it with political activity. At bottom the issue was a struggle between Vatican and Fascism for control of Italy's youth.

Russia

The Communists are not Communists.

COLONEL HUGH L. COOPER, American builder of the world's largest hydro-electric project for Soviet Russia, declares on returning to New York (September 10): "It is the only government today whose enemies recognize it as stable and a state where law and order prevail. They are now operating on a basis of state capitalism and eventually will turn to a modified capitalism." Colonel Cooper declares that the dumping menace is sheer nonsense, since Russia wants as much credit as she can get to pay for machinery imports. He urges an economic trade agreement between the United States and Russia, along the lines of the one now being worked out between France and Russia. "Believing as I do that the present world economic depression can be relieved quicker by recognizing that Russia is by far the soundest economic market readily available, I am positive the United States could perform a great service to the world and to ourselves if we would promptly accept the official proposals from Russia for an open, round table world trade conference."

Revolution

Shooting begins in Chile, Cuba, Spain, Portugal . . . But the powers that be remain.

THE CHILEAN cabinet recommends to Congress that service on the foreign debt be suspended (August 12). Previously it had been decided to deposit the interest due in local banks, but to protect the currency by not exporting the payments. Since the government of President Ibanez fell, the economic situation has grown worse instead of better. Expenditures in the last five months totalled \$52,440,000, of which \$17,040,000 was for debt interest. Receipts were \$33,000,000.

The Chilean Cabinet resigns (September 2) after difficulties with the country's economic state. A revolution breaks out in the navy, the largest in the Pacific after the United States and Japan. About 3000 men seize control of battleships, cruisers, destroyers, and submarines at Coquimbo. Others seize the naval base at Talcahuano.

After the naval mutineers reject conciliatory terms, the loyal Chilean air force is sent to bomb them and rake the ships with machine gun fire (September 6). It appears that practically all citizens side with the government. It is stated that on the previous day the heavily armed Talcahuano naval base was taken from the rebels, with a loss of 300 loyal troops killed and wounded.

One by one the ships held by Chilean naval mutineers surrender (September 7), as a result of airplane attack and lack of food. It is learned that there was no concerted plan for the revolt, though a group of enlisted men had plotted it for some time.

Death will be asked for leaders of

Chile's revolution, it is announced (September 9), while the mass of sailors will be released. Martial law which runs till end of the month; elections will be held October 4.

CUBA'S REVOLUTION begins to appear well organized, as fifteen are reported killed in a new skirmish (August 12). The rebel leader is Dr. D. M. Capote, now in the United States, while former President Mario G. Menocal is in command in the field. The precarious economic situation, with food scarce even for the small farmers, has led to widespread sympathy for the rebels in protest against the government.

General Menocal, Colonel Carlos Mendieta, and several lesser revolt leaders are captured in Pinar del Rio province (August 14) and taken to Havana. The rebels contend President Machado has been in office illegally since 1929; but two days before the scheduled adoption of a measure to provide a new census as a basis for elections, the revolt was begun.

After a filibustering expedition lands in Jibara the most serious conflict of the Cuban revolution takes place there (August 19). The expedition is small, but brings huge quantities of munitions—70 machine guns, 25,000 rifles, and 2,500,000 rounds of ammunition. Before it can be transported to the mountains, however, government cruisers, infantry, cavalry, and airplanes are mobilized, and in three days cleaned up the filibusterers. The success of the government forces shows the efficiency achieved under Machado—something new in Cuban military affairs. Spasmodic outbreaks follow elsewhere, but the revolution peters out.

GRIM BLACK darkness covers Barcelona as night falls (September 3). Not a light except a few lamps in the hands of frightened watchmen shows in this city of 700,000. Thousands of troops stand in silence, waiting. It is the strike of the radical Sindicato Unico.

Twenty are killed in a day of rioting in Barcelona (September 4), but the Sindicato strike is broken when troops capture their arsenal headquarters. The principal roads above the city are still held by entrenched anarchists, and food is scarce since the trouble came with little warning. Next day Barcelona is quiet, and the shops reopen, but it was military control from Madrid which broke the strike, thus considerably lessening the prestige of the local movement for Catalan autonomy.

PORTUGAL'S twenty-third revolution since banishment of King Manuel in 1910 breaks out (August 26). It is the most serious uprising in a decade, finding limited support in the army. Provisional President Carmona takes command of the loyal troops, and subdues most of the revolting troops.

After the last desultory machine-gun fire dies down in the early morning (August 27), the riot dead of the 24-hour revolt are put at 55. The government retains complete control.

Aviation

Bombs are not so terrible . . .
The largest plane arrives . . .
Coast to coast in eleven hours

ARMY BOMBS fail to sink the *Mount Shasta*, a discarded Shipping Board freighter, towed 60 miles to sea for the test (August 14). Fifty 100 and 300 pound bombs are dropped from 5500 feet, and several direct hits are scored, but the damage is inadequate. Their ammunition exhausted without success, the fliers turn back toward land, and Coast Guard cutters shell the ship until it sinks. This is the first actual test of bombing a ship since the battleships *Virginia* and *New Jersey* were sunk by larger bombs in 1923.

The DO-X, world's largest airplane, arrives in New York (August 27) at the end of a 12,000-mile journey from Lake Constance, in southern Germany, via South America. It carries 71 persons on its last hop, from Richmond, Virginia. The seaplane was built in 1929. Last November it set out for America, but was long halted in Portugal, where fire partly destroyed it, and later heavy seas damaged it during an attempted take-off. It is powered with 12 American (Curtiss Conqueror) motors, totaling 7200 horsepower. In its early tests it carried 169 persons, far more than any other airplane. Two sister ships are being built for the Italian Government.

Across the entire continent at nearly four miles a minute, in an elapsed time of 11 hours, 16 minutes, 10 seconds, is the new air record set (September 4) by James H. Doolittle, former Army flier. He lowers Frank Hawks' previous record, set in August, 1930, by more than an hour. Doolittle's flight is part of a race from Burbank, California, to Cleveland, where the national air races are being held. His fast time to there inspires him to continue to Newark airport, near New York. After an hour in Newark he returns to Cleveland, and in the evening is piloted by another flier to St. Louis, where he spends the night.

Cotton

A moratorium? . . . Just reducing exercises? . . . Or overproduction again?

GOVERNOR IRA C. BLACKWOOD of South Carolina announces an extra session of the South Carolina Legislature to consider the Long plan for cotton (September 9). This plan, proposed last month by Governor Huey P. Long of Louisiana, proposes that cotton states enact laws to prohibit growing cotton in 1932.

The Texas House of Representatives is in an uproar (September 14) over a radio address by Governor Long of Louisiana, in which he charges that Texas legislators were bribed to oppose his plan, and were "blandished with wine, women, and money."

Governor O. Max Gardner of North Carolina telegraphs a Texas Representative (September 15) his state will have no special session to consider the Long plan. This, and the antagonism of the Texas House, are held to end the plan.



Europe Looks at Mr. Hoover



From *L'Européen* (Paris)

IN MORTAL COMBAT

Hoover Lohengrin and the French villain join in mortal combat over the prostrate German Elsa. A grateful tribute to the President.
From *Kladderadatsch* (Berlin)



THAT NAUGHTY FRENCH BOY

France just won't drink Mamma Hoover's nice peace soup; to the other children's horror.

From *Kladderadatsch* (Berlin)

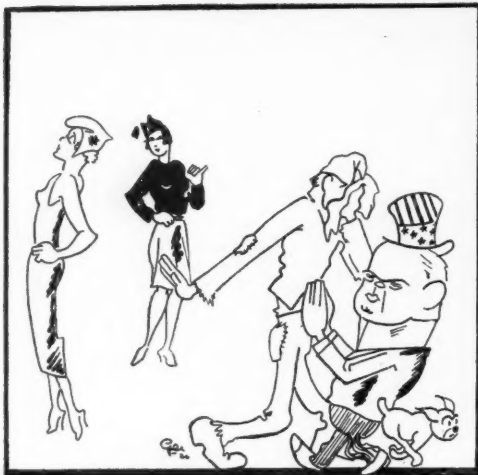


THE GERMAN IS AILING

Hoover, MacDonald, Laval, Briand, Henderson, and Stimson confer in solemnity.

From *Simplicissimus* (Munich, Germany)

The Review of Reviews



HE RECONCILIATES

The President persuades tattered Germany to make friends with the defiant French mademoiselle.
From *Il 420* (Florence, Italy)



1931 MYTHOLOGY

Europa decorates her classic bull, who is Hoover-headed, for his recent distinguished services in the cause of stabilization.
From *De Groene Amsterdammer* (Amsterdam, Holland)

DAMSELS IN DISTRESS

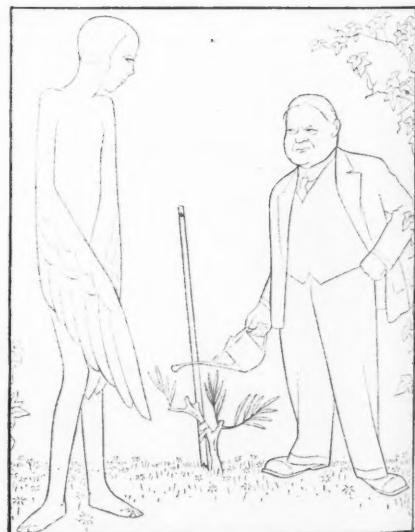
The hero, having rescued the War Reparations from a watery grave, must turn his attention to the Armament Question, also in the most dire straits.

From the *Record and Mail* (Glasgow, Scotland)



HOOVER CLEANS HOUSE

The conciliator drives war and its "patriots" from the European mansion with his trusty vacuum cleaner. © Inter-Europa (Paris).
From the *Evening Standard* (London)



THE ANGEL SPEAKS

"Speed disarmament, Mr. President, but for more than one year."
From *Simplicissimus* (Munich, Germany)

The Agricultural Teeter Board



© Underwood

By
ARTHUR M. HYDE

Secretary of Agriculture

THE CENSUS ADVISES US that there are 98 million souls in the United States who are more than ten years old. Of these all but 4.3 per cent. can read and write—and many of them do. I prefer not to be called upon for complete proof, but there are times when it seems that most of them have taken "their pens in hand" and have set down on paper their impressions, their thoughts, and in many instances, their emotions, upon the subject of Farm Relief.

All of which is emphatically to the good. It "gets it off the chest" of our correspondents. It stimulates thought in them as well as in us. It keeps a public official—who is merely another breed of canine—from forgetting his humble place in the scheme of things. Many, very many, of these letters and plans contain really valuable ideas.

Just now the word overproduction is in everybody's mouth. It affects and afflicts the captains of industry, of oil, and of mining, as well as the farmer. But the farmer originated it, and is entitled to claim full credit for its vogue. There are many quantities, known and unknown, in the formula for agricultural ills. Of them all, overproduction is the greatest and the most devastating in its effect. The farmers of our nation, who through a series of years have accumulated a carry-over of 319,000,000 bushels of wheat and 6,250,000 bales of cotton, only to be met by increased production abroad, and an abrupt fall in purchasing power throughout the world, require no further demonstration of the blight of overproduction.

Nevertheless, the agricultural production of our country is not so far out of balance with normal market demands as might be inferred from the existence of these huge carryovers. There are moderate surpluses of other agricultural products, but none so vast and depressing as those of wheat and cotton.

Paradoxical as it may seem, there is a semblance of balance in our agriculture. We consume most of our products. Our home market is almost perfectly balanced to our dairy production. We export few animals, and relatively small amounts of animal products. We do not lean heavily on foreign markets for an outlet for fruits and vegetables. Nature has given us advantages over our competitors in growing corn and tobacco, although we are in danger of pushing both of these too far.

Agriculture has a semblance of balance in other respects. Corn will grow in nearly every state in the

Union, yet we grow most of our corn where corn grows best. We grow cotton where Nature intended it to grow. Although our knowledge of soils and climate in their relation to crop production is far from complete, our agriculture makes more than a deferential bow to biology, and has achieved a fair balance in this respect.

In the depression of 1921, low prices were also the signal for an avalanche of farm relief plans. With war-fixed prices in mind, most of the farm relief plans of that day called for fixed prices or for measures that would raise prices. The fact, for instance, that we could not continue to produce wheat at war-time pace had not sunk into the public consciousness. Raise prices, it was argued, and all would be well. If increased price inevitably meant increased production, well, that was a bridge to be crossed when we came to it.

Even now, most planners aim to achieve higher prices. This is natural, and necessary. It is natural, because low prices have no vote-appeal. It is necessary, because there is a limit beyond which costs cannot be reduced, and we shall have no tide of prosperity on the farm until there is profit in farming.

Everyone agrees that we now have a great surplus of the two staple farm commodities, wheat and cotton, and that we must avoid—as we would the plague—any scheme which would raise prices without also controlling production. High prices, unaccompanied by production adjustment, inevitably mean more production and lower prices. Emphatically the cure for overproduction is not more production.

Most of the plans now current recognize that fact. Most of the planners aim at a reduction of acreage, or a disposition of the surplus. There are relatively few who seek to fix prices by law. This is a large measure of progress.

Other planners would whisk the surplus out of the way by the shortest and most expeditious route. Even in these days of peace and disarmament, one man wants to convert our mountain of cotton bales into fortifications. Another proposes that the Government manufacture the cotton surplus into overalls, and sell them at 75 cents each. Since six and a quarter million bales of cotton would make about 1,500,000,000 pairs of overalls, the depression in the overall and beach pajama business would be deep and abysmal. Another wants to use cotton as a base for an issue of Treasury notes. An elastic currency, truly!

Everybody is familiar with the plan to give our surplus wheat to China. This project, considered as an act of generosity and international good-will, loses some of its lustre when we consider how it is motivated. The suggestion is prompted by a desire to improve our own economic position.

Bearing in mind our huge surplus of wheat and cotton, and our possible balance both as to volume and location of other agricultural products, what would happen if our cotton growers declared it a day and planted no cotton whatever? Obviously, they would have to plant something. They must produce something to exchange for the necessities of life. That something would probably be a garden, some wheat, and some corn. They would make a start in cattle and hog production.

The Agricultural Department has preached diversification for years, and it is not backing up on that doctrine now. Nevertheless, if 45,000,000 acres are suddenly taken out of cotton and put in wheat and corn, the price of wheat and corn would approach the vanishing point. It would not profit the cotton growers. It would unbalance and destroy the agriculture of the whole nation.

Of equal importance is the fact that we should be advertising to the world that our stall in the world market would be vacant for a year, thus giving our competitors a free field to expand their cotton production. We should thereby partially defeat our own objective. Markets furthermore, which are hard to win, are still harder to win back.

For agricultural production, after all, is a kind of teeter board. We put too much weight on one end and down she goes. We lighten the heavy end, unwisely but too well, and down goes the other end. We must consider the agricultural problem as a whole, before we tinker over-much with the balance of our teeter board.

Consider wheat! It is in competition with corn, rye,

barley, oats, rice, potatoes, and all the other starches. Our present surplus is mostly in wheat; yet the depression in wheat has spread its contagion to the producers of these other commodities.

Consider cotton! It must compete with silk, wool, jute, paper, rayon, and other fibers. For this reason, one of our correspondents advocated the closing by the Government of all rayon plants.

A COMMON SUGGESTION is that we abolish the wheat surplus by eating more bread. This is a bully idea until the light of analysis is turned upon it. We eat normally 520,000,000 bushels of wheat. Apparently that is enough wheat, taken with our other forms of provender, to satisfy our appetites. Suppose now we set ourselves to the job of consuming that heart-breaking surplus also. That means several hundred million bushels more. We should be so completely "fed up" on bread that we should have no room left for potatoes or dairy products or meats or fruits or green stuff. Gloom, deep and impenetrable, would settle over the producers of these commodities. The inevitable teeter board!

It is therefore understandable that the project of some manufacturers to compel their employees, under pain of being fired, to raise gardens and feed themselves, meets with no resounding huzzas in the country. And if our captains of industry succeed in shrinking the farmers' market, do they not thereby, to some extent, shrink their own? Another form of teeter board!

Hard-headed business speaks through a proposal that every financial agency, governmental or private, should refuse to advance funds for cotton production in 1932, "thus leaving cotton production exclusively to those who are able to produce it * * * with their own labor and funds." Another man wants the Government to take over the whole cotton industry. A third urges the Farm Board to take over the whole crop, and then have Congress place a tax of \$150 per bale on all cotton grown in 1932, and \$200 a bale on all imports. In sixty days, he thinks, cotton would reach 40 cents a pound.

Most of the plans for relief advocate either measures to dispose of the surplus immediately, or methods of so controlling acreage as to prevent the recurrence of a surplus. These objectives are thoroughly sound and fundamental.

Economic forces are now at work to dispose of the surplus and control the acreage. Low prices are opening up markets for new uses for the commodity. The same low prices will force a reduction of acreage next year, and force such reduction upon the highest cost producers. Those same prices are operating abroad to compel reduction in the volume of foreign production. These forces are slow and painful in their operation. What we are all seeking is a means of immediate balance that is not painful, and that does not loose a chain of consequences worse than the disease itself.

THE FARM BOARD's suggestion that growers plow under every third row of cotton met with an indignant reception. None did it reverence. It is now classified as "utterly rejected." Nevertheless, at the imminent peril of my own life, I dare assert it had its merits. It would have unbalanced nothing. It would have been no more difficult to effectuate than will be a control next year. It would have left cotton growers free to follow their own devices next year, and to take their own chances with weather and boll-weevil. Most



By Fitzpatrick, in the St. Louis Post-Dispatch
RIDE HIM, COWBOY!

of all, it would have operated marketwise, immediately. The cotton farmer would have felt the rise now, rather than next year. What it lacked was the popular support to put it into effect by voluntary action of the growers.

I do not oppose emergency action. If the Cotton States want to take a leaf from the book of Governors Murray and Sterling, and limit cotton acreage by law or bayonet, that is fundamentally their affair. The depression, in both cotton and oil, is due to the same causes, and shotgun action has as much justification in one as in the other. Indeed there is more reason, from a national standpoint, for conserving the fertility of the soil than for saving the supply of oil. Nevertheless, the observation is pertinent that if government progresses (?) to the point where a farmer who owns 100 acres can be forbidden to plant more than 50 acres acres of whatsoever crop he will, we shall have to revise all our ideas of individual initiative and of human liberty.

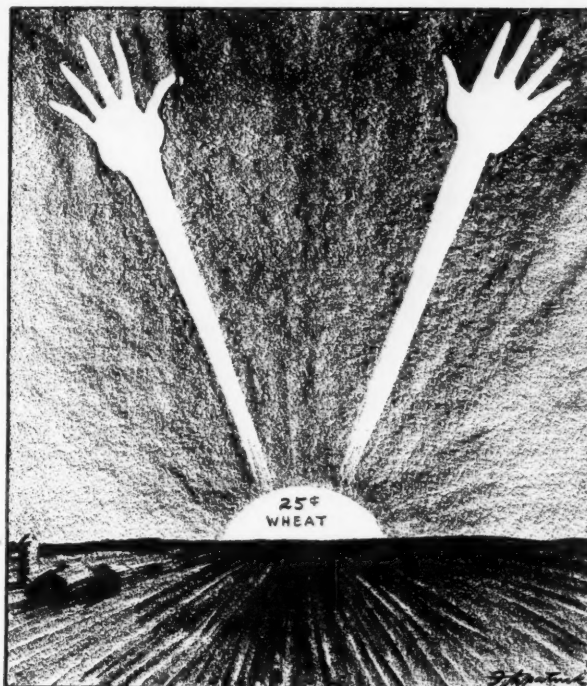
Since low prices have set us thinking, let us not confine ourselves to this emergency only. What of the long view for the producers of wheat and cotton?

Two things stand out. The distress is most acute in one-crop areas. Their system of farming is, in itself, unbalanced. Diversification, live-at-home programs, the development of farming as a more self-contained economic unit and less as an industry, will help. The possession by the farm family of shelter and of food of their own production may be merely the rudiments of a proper standard of living, but the mere possession of them is at least the beginning of independence in emergencies.

The use of land is fundamental. Millions of acres are devoted to the production of wheat and cotton which ought never to have been cultivated at all. The use of submarginal land, and the distress resulting therefrom, is a part of the tribute we pay to the traditions of our pioneer ancestors, and to the indomitable booster spirit of Main Street. Production costs tell that story. Cotton costs all the way from 6 cents to 40 cents a pound to produce, varying according to the fertility of the soil and other factors. Wheat costs from 40 cents to \$2.50 a bushel, the variations being due to similar factors. There simply is no hope for the highest cost producers. No level of prices which can be maintained would save them. Lands which cannot be made to yield a profit, under the best and most modern system of cultivation—because of climate, location, or lack of fertility—ought to be promptly and permanently retired from cultivation.

WE NEED to reverse our policy of liberal homesteading laws, and to refuse to grant submarginal land to new settlers. More than this, each state needs (1) to survey its submarginal land with a cold eye on the economics of it, (2) to have the courage to tell its people the truth, and (3) to devote such lands to such uses as Nature intended. Those who would sell submarginal lands for farming purposes should be restrained, for the same reason that we restrain the vendors of blue-sky stocks and bonds.

I believe in controlled production. It can be partly achieved through retirement from agriculture of submarginal lands and partly through acreage control. But such control, in my judgment, must come about by voluntary action of the farmers themselves, and not by mandate of law.



By Fitzpatrick, in the St. Louis Post-Dispatch

KANSAS SUNSET

Immediately someone will say that farmers alone cannot control acreage. They are too widely scattered. Farmers of one state might limit their acreage, only to have another state nullify their efforts by expanding production. All of which is quite true, and all of which merely proves the wisdom of the Agricultural Marketing Act which proposes so to organize agriculture that growers of cotton can be organized locally, the local organization united into regionals, and the whole federated into a national organization. Thus farmers themselves can set up a sort of national legislature for cotton, to survey the probable market, to weigh the amount of production needed, and to pass back to the regionals and the locals a production quota which will assess the limitations equitably. By this means the advantages of controlled production will be distributed equitably among the farmers of all sections of the Union.

If all cotton farmers were merged into one man there would be no cotton problem. He simply would not produce more cotton than the market would stand. He would not cultivate the high-cost areas. He would produce a diversity of other products, not to unbalance the markets of his neighbors, but to reduce his own living costs. He would not try to sell all his cotton at once. He would feed it into the markets as needed.

Of course, all cotton farmers are not, and never will be, one man. Such a situation ought not to exist, and fortunately never will. But this gives us the clue to our answer to the wheat problem and the cotton problem. We can approximate a unified control of production through the coöperative organization of the millions of producers of wheat and cotton, and thus achieve the benefits of unified control. This is the object of the Federal Farm Board; and for this purpose it is the greatest instrument ever created by any government for the solution of the problem of the farm.

Government in Business

GOVERNMENT should not attempt to shape and direct our economic life by competition or undue interference with private business.

AT THE PRESENT TIME we find a widespread feeling on the part of leaders of business that not only are they injured, but that society is likewise injured by the competition on the part of government reaching into private business in many different ways, directly and indirectly. They are restricted otherwise in their operations by legislation like the Sherman Anti-Trust Law. Whatever may have been its justification in the past, that law has outlived its usefulness—at any rate in its present form. Leaders of business find themselves harassed by administrative agencies of government, some of which yield to popular clamor against large wealth and great industrial combinations, and some of which are not equal to the tasks that are imposed upon them.

Many of these business leaders are among the most competent men in our country, and are regarded by their associates as men of public spirit and the highest integrity. They are convinced in their own minds that government participation in and interference with business are largely responsible for the present distress of the country, including the unemployment which all admit has reached proportions that are truly menacing. An able spokesman for this conviction uses these words: "It may be fairly asserted that the present business depression is in large measure a result of the unbridled competition imposed upon the industries of the United States by the Anti-Trust Laws."

With increasing frequency we see in the press statements to the effect that capitalism has broken down because those in control of our industries have not been able to prevent the hard times which for the farmer and many others began ten years ago and which, gradually spreading, have taken in the people of the cities. Our industrial leaders have not had the power which corresponds with the responsibility that is placed upon them by widespread public sentiment. Their hands have been so tied that they could not do things—not merely in their own interest but in the public interest which they believed to be desirable. Nevertheless the public, not conscious of the actual situation, places blame upon them which they resent as an injustice.

These leaders, for a variety of reasons, have in recent years not asserted themselves vigorously, and have not fought back when they have been attacked. Now the time has arrived when they are determined to come forward vigorously and to present their case with the conviction, whether right or wrong, that it is essential they should do so in the public interest as well as in their own interest. To what extent are they right, and to what extent are they wrong?

First of all, attention must be called to the change in the general situation which has taken place during the past generation. The present writer finds that we live in a changed world

since he began writing on economic questions, including public ownership, monopolies and their control a generation ago. At that time it must be frankly acknowledged that some of those in control operated large business enterprises, not excepting railways, with a pretty high hand. It is not true that, generally speaking, the leaders of that time had the attitude expressed in the phrase "the public be damned"; but it is true that there was that attitude on the part of too many who held high and responsible positions. They asserted not merely vigorously, but proudly and haughtily their rights as they saw them.

The contrasting situation at the present time was clearly enough brought out at a session of one of the meetings of the American Economic Association held in Cleveland December last, when public utilities were under discussion. One of the speakers, regarded as belonging more or less to the group engaged in the present agitation directed against the activities or methods of the public utilities, in beginning his remarks said that it was somewhat difficult for him to express his views because of his general sympathy with the "under dog"; and the under dog in this case was the public utilities, especially those in the light and power industry. Think of the difference between "the public be damned" and this statement that the powerful men in control of the public utilities are the under dogs!

THERE COULD BE no question that during the past few years these leaders have been timid in asserting themselves and in doing some of the things which they have felt ought to be done. Let us consider what some of these leaders who are now inclined to make a fight for what they believe is right say for themselves. On April 30 of the present year, Mr. Fred W. Sargent, president of the Chicago & Northwestern Railway, addressed the nineteenth annual meeting of the Chamber of Commerce of the United States, at Atlantic City. Its subject was "Government Competition with Business." After discussing our original Constitution and the extent to which through amendment, judicial interpretation, and commission control we have drifted away from some of the fundamental principles of our forefathers as expressed in our Constitution, giving us in many particulars what he designates as Federal usurpation of powers, Mr. Sargent offers illustrations of the competition of government with business. The following is quoted from his address:

"Congress may establish post offices and post roads. Already this power has been strained to the breaking

s and the General Welfare

By RICHARD T. ELY

Director, Institute for Economic Research, Northwestern University

point in the direction of putting the Government into business. 'Mail' at the time of adopting the Constitution meant 'mail.' Now, however, Congress construes poultry, live stock, farm machinery, groceries, indeed, almost every conceivable article, as 'mail.' A prize bull can be 'mail'—due, perhaps, to a Congressional doubt as to correct spelling! Through the parcel post, the Government has entered into intensive competition with common carriers. . . .

"If the Government can manufacture and distribute electrical energy, as some in Congress ardently want us to, then it can mine and transport energy in the form of coal, and sell it in competition with the corner coal yard. Nationalization of the power industry would be merely a first step toward the nationalization of all industry. If under the pretext of regulating commerce, the Government can use the taxpayers' money to fix a minimum price for agricultural products, then certainly it can fix maximum prices for the same products, if the emergency ever arises, in order to alleviate urban distress. If Congress can use the taxpayers' money to manufacture fertilizer, then certainly it can manufacture farm machinery. If it really does have the power to do these things, then the theory of delegated and limited powers upon which the United States became a union is completely washed out. The door is thrown open to complete nationalization. Why stop at farm machinery? To aid in making implements, why not own and operate iron mines, steel mills, sawmills—why stop anywhere? And all under the pretext of helping agriculture as a means of regulating interstate commerce!

"I do not question either the motives or ability of some of those in Congress who advocate and apparently believe in putting the government into business. But I do say that the time has come when American business men, and American laboring men and American farmers and shopkeepers have got to stand up and pass between the tellers. Heads have got to be counted. Either we in this nation do now favor, as we have done in the past, individual initiative and effort and the right to conduct our private affairs under the Constitution as it stands; or we are in favor of a government without a Constitution. . . .

"Let us concede for the purpose of argument that public welfare requires that the Government remain in the transportation business. Nevertheless, both the law and good morals require that if such is essential in the interest of the public welfare that then private investment injured or destroyed thereby should be compensated for in some other manner by the Government, unless we have abandoned not only the plain mandate of the Constitution but likewise all principles of common justice."

President Sargent has been quoted at some length because he has expressed the sentiments that are found in many other addresses recently delivered representing the convictions of our industrial leaders. If there were space, numerous similar quotations could be given.

These leaders and those in sympathy with their de-

termination not to be the under dog any longer, but to assert and fight for their convictions, have formed what is called the Federation of American Business. This Federation, on August 26 of the present year, launched what it calls "a nation-wide move to fight communism and get the Government out of private business." In the announcement sent out to the press it was stated that twenty-two major industries, including a representation of farmers, agricultural trades, railways, public utilities, and labor, were back of the movement. Mr. Charles A. Wilson, president of the Chicago Livestock Exchange, one of the leaders in the Federation, stated that those in the Federation saw clearly the danger of destruction of American ideals of government through the steady encouragement of government in business.

The Federation in a statement sent out said that the purpose of the Federation is to put an end to the competition of government with private business. Such competition, it declared, is contrary to the fundamental principles of our government. It destroys, it was said, "the security and property of those who engaged in the private business that it invaded." Furthermore, it creates fear in the minds of all other lines of business because of the certainty of continued extension of such unfair competition.

WHAT IS TO BE SAID by impartial economic students in regard to this movement on the part of business? It deserves careful and respectful attention. It appears probable that the movement is going to assume considerable dimensions and to become a force in our life whether or not it is able to prevail against those who hold contrary convictions, and against the many powerful organizations that are working to support and carry forward the tendencies which American business men in this Federation regard as so menacing to our prosperity. Moreover, many of these men who are actively supporting this Federation, or are sympathetic, are men of an unquestionable integrity and capacity. While the impartial student may not go as far as some of these leaders do in their statement of principles, and while many may not share their view that we are drifting to socialism and even communism, there can be no question that they are within their rights in asserting their convictions and in their efforts to make their views prevail. Free government depends upon free discussions; and if we have reached the point where the great industries of the country are the under dog and where those in control of these industries are so intimidated that they are afraid to do what is right, including the support of independent research, we are in an unfortunate situation and it is time that something be done about it.

Whether or not we have gone so far as some of these leaders think in the competition of government with private business, the writer, and, he believes, the majority of capable and impartial thinkers—agree it

is not the part of government to compete with private business. The experience of the world indicates that such competition is injurious alike to business and to government. This naturally does not mean that functions of government which incidentally involve some competition are on that account to be abolished. What is implied is not this incidental competition but the deliberate attempt to control the country's industrial life by competition of government with business, and we are concerned chiefly with our great industries and especially those affected with a public interest like the railways.

The present writer was a student in Germany at the time the private railways in Prussia were purchased by the Prussian State. Formerly in Prussia a dual system of privately and publicly owned railways existed. It had been hoped that through this competition of public with private railways desirable results in rates and efficiency would be secured. At the request of Dr. Andrew D. White, then American Minister, the writer made a report to the United States Department of State on the situation and on the outcome. The conclusion was reached there that either the railways should be publicly owned or privately owned and that the continued competition of publicly owned with privately owned railways was disastrous. If the publicly owned railways competed with all possible vigor against privately owned railways the inevitable result was the destruction of the private railways.

On the other hand, if those in control of the public owned railways did not operate these with all the efficiency of which they were capable, the result was slackness and inefficiency. The overwhelming conviction was that Prussia must get out of this dual situation. Under the leadership of Bismarck the conclusion was reached that the privately owned railways should be purchased by the government and this was done in a spirit of fairness with respect to purchase price. A just but not an excessive price was paid to the owners of railways. The argument for exclusive public ownership was both economic and militaristic, but the national defense was the predominating motive.

In New Zealand control of private industry in order to hold it within proper bounds with respect to price has been attempted by government competition with private industry, especially in mining. In New Zealand also, the government has owned and operated the railways and has been very active in business of all kinds. It was the thought at one time that New Zealand was almost an earthly paradise, and the writer's friend, the late Henry D. Lloyd, wrote a book called "A Country Without a Strike." Alas, soon afterwards there were the most violent strikes in New Zealand, in spite of the efforts of the government to regulate the relations between employer and employee. In 1914, when the writer of this article was in New Zealand and spoke of Mr. Lloyd's book, "A Country Without a Strike," it was thought a huge joke and produced a good deal of merriment. Now, New Zealand is in deep distress and can hardly be held up as a model.

About the principle of social control there can be no question. The leaders of business accept that principle. The railways may object to decisions of the Interstate Commerce Commission; but they, like the leaders of the public utilities, stand vigorously for the principle of regulatory oversight of great businesses which are monopolistic in character. All that is in dispute is in regard to the proper metes and bounds that shall govern this regulation.

One trouble in the situation is that we have a changing world and on the part of some of our leaders of thought we do not find corresponding changes in attitude. Many who regard themselves as progressive are in reality holding back progress because they do not have an adaptable mind in a changing world.

Years ago the writer of this article was favorably inclined toward far-reaching public assertion of authority as regards utilities. At that time there was the unfortunate situation which has already been described in this article. At that time, also, we had not developed our commissions and agencies of control; and the way out of the situation seemed to many citizens to be through public ownership. Since that time numerous things have

happened. Clearly the line of progress seems to be control rather than ownership; so that the problems to be discussed are the limits and nature of control. The aim must be to give to men in private business the scope and the incentives that will call out and develop their best efforts, and at the same time protect society at large not merely against extortion and injustice of every sort but against unfair prices and unfair and discriminating practices of every kind.

Moreover, during the past generation we have been disappointed not to see the improvement in government so eagerly desired, while on the other hand, there has been a noteworthy improvement in the leadership of business. Many large businesses which were under fire years ago have become great social institutions, and are managed by men of the highest character and integrity.

Because changes in attitude and policy have not kept pace with economic evolution, private business altogether apart from the competition of government with business has been unduly restricted, with suffering to the public. Those engaged in the movement represented by the American Federation of Business, may overlook many other forces that have been in operation, when they assert that the present depression is so largely due to the limitations placed upon business by the Sherman Anti-Trust Act.

But there can be no doubt that we are suffering because combinations in the general interest, calculated to promote prosperity and to conserve our resources, are not permissible. One of the gentlemen interested in the present movement calls particular attention to the chaos in the oil industry. At the present time, we have destructive competition involving large losses of capital and wastage of precious natural resources needed by our children, our grandchildren and still later genera-



By Orr, in the Chicago Tribune ©
AT A STANDSTILL

tions. To enter adequately into the economic aspects of these problems is not possible in the limits of the present article. In some way or another, the oil industry should be organized, and wastes should be lessened in so far as possible. No one will say that this organization should take place without social control. At the same time, it might be difficult to find any competent student who would say that concentration in the case of oil should not be brought about on some plan. We should get away from destructive competition here as we have in the case of gas companies and other like industries, and substitute for it harmonious and unified development under control.

The bituminous coal industry is another illustration of a shockingly bad situation involving loss alike to labor and capital. If we are going to have continuous prosperity in the bituminous coal fields it is necessary to organize the industry as a whole and to take out of production—so far as may be—submarginal mines; and concentrate it in the more prosperous fields, and to limit production to effective demand. Only in this case can labor receive continuous employment and fair wages, and enormous loss of capital be avoided. Exactly how this is to be brought about is not so easy to say; but certainly it means that those in the industry must get together; and to a greater or less extent they must pool their interests and operations.

If there were space, the writer would have something to say about the efforts of our government to control price of wheat and cotton; of the government of Brazil to control the price of coffee, and of the efforts in England to control the price of rubber. These very recent attempts to help a distressing situation have all proved to be dismal failures.

Government has a necessarily large and increasing function in the promotion of the general welfare. We must do what we can to improve what, by general agreement, government should do. One great task of government is, as the late Professor Henry C. Adams of the University of Michigan said so well in his epoch-making monograph on "The Relation of the State to Industrial Action," is to raise the ethical level of competition in private business by suitable control. This is the path of progress for the present at any rate rather than to put government into business in competition with its own citizens.

An interesting illustration is furnished by housing. If government builds ten houses for the small-income group, at first it may be thought that something has been gained; but this competition may prevent the erection of a thousand desirable homes with private capital. On the other hand, by reduction of excessive taxation of real estate, private industry may be stimu-

lated to build a million houses. Then it remains by inspection and suitable control to raise the ethical level of competition in the building industry, so that honest practices may displace dishonest, and competency may displace incompetency.

We come to the old distinction, so fundamental, so often overlooked, between the seen and the unseen. We may see a thousand homes built by cities; but we do not see that private capital, unable to compete with public enterprise, is kept from building ten thousand homes.

The American Bar Association has taken action with respect to the Anti-Trust Laws and recommends that they be amended as follows:

1. By vesting in an administrative agency—preferably the Federal Trade Commission—the power to approve in advance trade contracts voluntarily submitted; and

2. By granting immunity to the parties for acts done in pursuance thereof during the existence of such approval.

The writer is convinced of the general principle that government should not attempt to shape and direct our economic life by competition with private business.

This is a far-reaching conclusion. In the writer's program for escape from our present hard times he has, for example, emphasized the point that government operation to give employment be confined mainly to the non-competitive field. Where the opposite principle is followed, we have an illustration of the disastrous results of the competition of government with business or competition not actuated by business principles.

For instance, we encourage the unemployed to sell apples, candies and other commodities on the street corners. We do give employment; but it is generally overlooked that in giving employment in this way we may ruin private business—for example, grocers and dealers in fruits. As a result, we increase unemployment. If government has to give employment, the writer thinks it should get out of the field of competition with private business as it would, for example, in roadside beautification and in the elimination of grade crossings on our public highways.

In 1885 a group of young Americans formed the American Economic Association. It marked the beginning of a new life in economic thought in this country. The idea that dominated the minds of these founders was that of relativity. Sound policies, it was held, were not absolute and unchangeable, but must correspond to the stage of evolution reached in our economic life.

Those who have lingered in the realms of thought of a generation ago are not true progressives; but those are progressives who have a changing mind in the changing world.



By Orr, in the Chicago Tribune ©
TOO MUCH NAGGING

THIS SURVEY by Dr. Ely may be regarded as introductory to a series of studies that will appear in succeeding numbers of this periodical, dealing with the relationships of government and business in specific fields of enterprise or industry.

Tammany Fights a Triple Menace

THE TIGER of Tammany has survived many reform attacks like those now striking from without. But a new threat—and a sinister one—attacks from within

By HOWARD
McLELLAN

DIFFICULTIES ONCE MORE beset that rugged and rapacious old political machine known as Tammany. In the past it has lifted itself out of similar disaster, and always restored itself to greater power over the affairs of New York City than before. But now a combination of forces is at work which may rob the battle-scarred organization of its remarkable recuperative powers.

One force is a state legislative committee, engaged in a sweeping investigation of Tammany's unprecedented grip upon the city. Another is former Judge Samuel Seabury, the committee's counsel, a liberal Democrat who has already done so much damage to Tammany that he may be considered its arch-enemy. The third force is a combination of fixers and racketeers, created by Tammany, whose acts of sabotage upon the old machine threaten it from within. It will be no less than sublime irony if this third force, working internally, cripples the famous political machine while its external enemies thrust at it from the outside.

The full significance and seriousness of what is happening to Tammany and will continue to happen, with reverberations which will echo through pre-convention presidential campaigns, will be made more obvious by sketching briefly the events which led up to Tammany's present dilemma.

In 1929 Tammany, in its accustomed practical way, began to enjoy the full rewards of outstanding successes at the polls. It had whooped up a large part of the 1,135,000 New York City votes that made Franklin D. Roosevelt governor in 1928, and, in 1929, by an avalanche of more than 2 votes to 1, it kept its jaunty champion, James J. Walker, in the mayor's chair. Then, with base ingratitude, it proceeded to unseat its happy warrior, Al Smith, as a power in control of its policies and affairs. It selected as Leader of Tammany Hall Mr. John F. Curry, a hard-working district boss who had done years of front trench work. Mr.



Judge Samuel Seabury,
the Tiger's Nemesis.

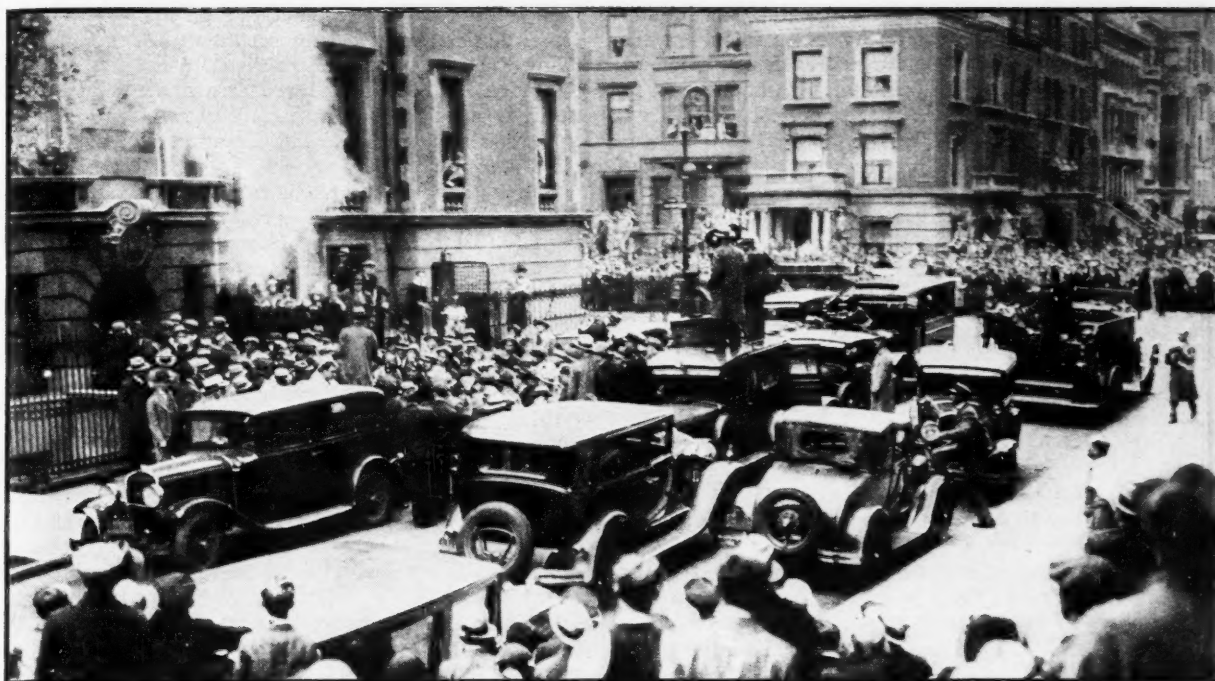
Smith's picture of New Tammany was turned to the wall.

Mr. Curry brought to the leadership the ambitions, viewpoint, and philosophy of the born-to-Tammany district boss. Under Tweed, Croker, and Murphy—autocratic, iron-fisted chieftains—the hard-working district bosses were mere private soldiers taking orders from a general, and not talking back. Mr. Curry, having been brought up in the sidewalk school of rough-and-tumble ward politics, represented the force that would give control of Tammany to the district bosses. These were plain, robust men whom the Tweed-Croker-Murphy type of leadership had kept in subjugation because of their inordinate appetite for spoils and lack of political finesse in satisfying them.

And so, in 1930, Tammany became an even newer Tammany than it had appeared to be in the picture of New Tammany painted throughout the nation when Mr. Smith's Tammany affiliations were an issue in the presidential campaign.

Outwardly there were signs of material progress under Tammany rule, a billion dollars' worth of public works completed or under way. On the other hand there were rumors and facts affecting the invisible workings of the old machine. A police commissioner, not amenable to Tammany control, had raided Tammany gambling clubs and was promptly forced to resign. The crime rate, always a barometer for gauging the effect of Tammany control of police and courts, began again to ascend to an alarming level. Racketeers thrived as never before. Gangs reappeared bigger and bolder than ever. Franchises of tremendous value were negotiated in Tammany's specially prepared brand of darkness. Men of little legal training, but close to district bosses, were appointed to judgeships over the protests of bar associations and civic organizations. There were rumors that these appointees were buying their offices from the district bosses.

There was more fact than rumor in the activity of scores of persons who complained to the prosecutors, Tammany-elected, that magistrates were selling them worthless stock and out of the proceeds reimbursing themselves for the money they had spent for their judgeships. No redress was forthcoming from the county prosecutor's office, so the complainants walked a few blocks to the United States Attorney's office and told their stories to that Republican official.



CATCHING CROOKS in New York: a police army, machine guns, tear gas, movie cameras, sound newsreels, and gaping onlookers—as though in Hollywood. Object, the capture of a twenty-year-old criminal.

Suddenly indictments were returned by a Federal Grand Jury. W. Bernard Vause, a county judge, and George F. Ewald, a Tammany magistrate, were accused of violating the mail fraud law by selling worthless stock to persons who were involved in difficulties with the law in their courts. The Grand Jury inquiry revealed, among other things, that Vause while on the bench had received a \$250,000 legal fee for procuring a lease on a city pier from Tammany officials. The probe into Magistrate Ewald's finances disclosed a payment of \$10,000 to Tammany District Leader Martin J. Healy at about the time Ewald was appointed to the bench.

The same grand jury looked into the financial affairs of Dr. William F. Doyle, a Tammany war-horse who had abandoned his practice as a horse doctor to appear, unofficially, before a Tammany city bureau in behalf of clients seeking permits for building operations. In this unofficial capacity Dr. Doyle acquired a bank account of \$2,000,000 in three years. He was indicted for evading his income tax but trial of this charge resulted in his acquittal. Vause was convicted and sentenced to six years in a federal prison. Ewald has not yet been tried in the federal courts. He resigned from the bench.

The federal probers could not officially concern themselves with research into what had happened to Vause's quarter of a million dollar fee. There were indications that it had been split. Nor was the jury concerned with the details as to why Ewald had "loaned" \$10,000 to District Boss Healy. These were matters for the city to look into. Likewise it was up to the city to discover with whom Dr. Doyle had split his large earnings—if, in fact, he had split them.

These disclosures gave rise to a demand for a city-wide inquiry by the Legislature. Nothing came of this demand. Civic organizations and the bar associations demanded an inquiry into the judgeship-buying rumors, and Governor Roosevelt summoned a special grand jury

to undertake the probe. It was not long in session before a Tammany-appointed Supreme Court Justice, Joseph Force Crater, disappeared after disposing of all his personal papers. He had been the intimate associate of a General Sessions judge who was reported to have paid \$100,000 to a Tammany district boss for his appointment. Magistrate and Mrs. Ewald were indicted, together with the district boss Healy and Thomas Tomaney, his chief lieutenant, for bribery in connection with the Ewald appointment. They were later discharged after three jury disagreements.

Then the special grand jury sent for the General Sessions judge who was reported to have lavished \$100,000 on his appointment. Although a judicial officer, he avoided testifying before the Grand Jury by refusing to sign a waiver of immunity, and hastened away in a great rage. Determined to hear the district bosses on the question of judgeship-buying, the Grand Jury summoned sixteen of them, including Chieftain Curry. They too refused to sign immunity waivers though each of them—excepting Mr. Curry—was a public official.

The Grand Jury had struck an impasse. It disbanded with the job-buying issue still hanging. Nor had Judge Vause's \$250,000 pier lease fee been traced to its ultimate destination, and the same was true of Dr. Doyle's \$2,000,000 income. The brazen refusal to waive immunity, by the sixteen Tammany bosses now in control, had stopped further investigation.

THERE WERE NEW DEMANDS for a legislative inquiry into city affairs; but the cry went up that such an inquiry, carried on by Republicans, would smack too much of partisan motives. A fusion of anti-Tammany interests then developed and Governor Roosevelt was asked to undertake an executive inquiry into city affairs. He responded by suggesting to the Appellate Division, which has the power to investigate magistrates' courts, that it undertake such an inquiry.

His suggestion took the form of a letter, which fell into the hands of Appellate Justice Edward R. Finch, a Republican, who was acting as presiding justice in the absence of a Democratic member of the bench Samuel

Seabury was appointed referee to conduct the inquiry. He accepted the appointment by cable from London. Judge Seabury had long since retired from public life although in the prime of his career. He had served for fifteen years on the bench, rising to the high Court of Appeals by successive steps from the next to the lowest court in the city. He had been an unsuccessful Democratic candidate for Governor in 1916 and a consistent foe of Tammany. As a justice of the criminal branch of the Supreme Court, Tammany had reason both to

hate and to fear him. He had opened the way to sensational disclosures of police corruption under Tammany, many years ago, which resulted in sending a police lieutenant and his four hired assassins to the electric chair, in consigning other highly placed Tammany police officials to prison, and in defeating Tammany in the elections which followed.

The inquiry into the magistrates' courts began quietly in September, 1930. As a newspaper observer of many inquiries into civic corruption, beginning with the famous San Francisco graft prosecution in 1906, I do not recall one equal to the Seabury inquiry in its equipment and organization and in the precision with which it moved. A summary of the results due directly and indirectly to this inquiry is printed on this page.

It is a fact, both singular and novel, that while the inquisitorial task called for a monumental piece of detective work no sleuths have been used. Instead, Judge Seabury surrounded himself with a staff of alert young lawyers and expert accountants. The functions of the accountants became at once apparent when taxi-loads of city pay checks began to arrive at the inquiry's headquarters. They were the cancelled pay vouchers of magistrates and their court attaches, and of Tammany district bosses who were holding city jobs. Then the cancelled pay checks of scores of policemen began to pour into the hands of the accountants. What relevancy or "reveal-ancy" could these slips of paper have upon judgeship-buying, and upon the conduct of the courts under inquiry?

Yet pay checks are sometimes scandalously revealing when one chooses to examine the indorsements upon them. Startling discoveries were, indeed, made. Many of these city pay vouchers had been cashed in speak-easies and protected gambling places. Some showed a relationship between shyster lawyers and bail bondsmen on one hand, and magistrates, court attendants and policemen on the other. A few checks had been indorsed by notorious underworld characters known to lend money to magistrates. A good many cancelled checks revealed large bank accounts under assumed names and in banks outside of the city. Others showed large and regular payments by magistrates to bosses.

Then suddenly some two thousand subpoenas were served on banks and brokerage houses, calling for the delivery to the investigators of all accounts under the real and assumed names of magistrates, lawyers, court officers, policemen and bail bondsmen. Thus, by merely examining documents, the process of boring into the secrets of the Tammanized ring which surrounded the magistrates' courts was begun. Later the offices of the inquiry swarmed with witnesses whose relationship to the corrupt ring was brought to light during the study of checks and bank accounts. Prisoners in state institutions were summoned to tell of manipulations that had gone on in the courts for their benefit. One assistant district attorney confessed to a standing arrangement with policemen and shyster lawyers by which he got \$25 to \$100 for "laying down" on prosecutions.

Shocking revelations followed the discovery that one police lieutenant had banked \$237,000 in six years on an annual salary of \$3500. Members of the police vice squad were shown transcripts of their bank statements detailing the growth of bank accounts amounting to \$87,000 in three years. Their explanations were pitiful. Some claimed to have won big stakes on horse races and at card and dice games. Other evidence was produced showing that one pair of detectives gathered in from speak-easies a steady income of \$7500 a week.

All these bank accounts showed heavy and regular

Results of the Seabury Inquiry Into New York's Tammany Controlled Courts

Magistrates Jesse Silberman and Mrs. Jean Norris, both Tammany workers and appointees, removed.

Magistrates Francis X. McQuade, George W. Simpson and Henry M. H. Goodman resigned while under investigation.

Six members of the police Vice Squad sent to Sing Sing Prison for perjury in framed-up cases against women; fourteen policemen under indictment; thirteen dismissed from Police Department; twenty-six accused by trial board of Police Department. Vice Squad "stool pigeons" barred from police work and wide shake-up in the department.

Sixteen police court lawyers accused, in disbarment proceedings, of bribing police and prosecutors. A former assistant district attorney resigned from the Bar after confessing he had taken \$20,000 in small bribes from lawyers and bondsmen for dropping charges against their clients.

Two bail-bondsmen sent to jail for extortion. Three bondsmen facing trial on the same charge. Licenses of five bondsmen in the ring were revoked.

Fifty-five young women inmates of City Reformatory released after discovery that they were illegally committed.

Eighty-five Magistrates' Court attendants shifted and six dismissed.

Inquiry begun into Magistrates' Courts of other counties in the city.

Charges against Tammany Mayor James J. Walker, alleging negligence, filed with Governor Roosevelt and dismissed.

Charges against Tammany District Attorney T. C. T. Crain, alleging failure to prosecute cases which arose out of inquiry, filed with Governor, investigated, and dismissed.

Joint Legislative Committee starts sweeping investigation into Tammany's administration of all city departments. Legislature in special session enacts legislation giving committee broad power to grant immunity to witnesses.

Federal Government indicts three policemen for income tax evasions on bank deposits ranging from \$237,000 in three years to \$7,500 a week collected from protected speak-easies.

Federal Internal Revenue Bureau starts investigation into incomes of magistrates and six public enemies who have enjoyed immunity from arrest and trial in Magistrates' Court.



TWO HUNDRED policemen captured these young would-be heroes of crime (the six at the left). But the "big shots" who can buy political protection are seldom molested.

withdrawals, but the ultimate destination of the withdrawals was never fully nor satisfactorily explained. The presumption voiced from the bench by Judge Seabury was that they must have gone to persons higher-up, as has always been the custom in corrupt rings fostered and protected by political bosses and higher police officials. Like the mystery surrounding the ultimate destination of Judge Vause's \$250,000 fee, the route taken by the policemen's withdrawals could not be traced by this inquiry, which was limited to an investigation of the magistrates' courts.

As to the source of the unexplained incomes, an abundance of testimony was taken showing the operation of a system by which innocent women were arrested and turned over to crooked lawyers and bail bondsmen, who extorted large fees and split those fees with the arresting officers and with the court attaches.

In the face of these revelations, which came in a flood from the courtroom where Judge Seabury was sitting, Tammany grew alarmed. The city was roused from its sophisticated apathy. The Tammany-controlled administration refused to pay members of Judge Seabury's staff. The courts were appealed to by Judge Seabury, to order the salaries paid. He personally argued the issues in court and won. Then an attack by Tammany lawyers on the right to summon bank accounts was thrown out of court. The investigation proceeded with still further disclosures, including testimony from a Tammany district boss that he frequently asked the magistrate he had placed upon the bench to deal lightly with defendants on criminal charges.

Abundant evidence was adduced indicating that dozens of police officers had perjured themselves to "frame" innocent women in the magistrates' courts; that lawyers and bail bondsmen extorted large fees from these women and split them with the police and court attendants. In every direction the probe was turned, corruption was revealed.

IT WAS AT THIS STAGE of the inquiry that the Republican legislature overcame a slight opposition in its own ranks and voted a joint inquiry into every phase of the city government. The cry that such an investigation would be a partisan fishing excursion, designed to embarrass Governor Roosevelt's chances for the Democratic nomination for the presidency was met by the appointment of Samuel Seabury, himself a Democrat, as counsel to the committee. Later, acting upon charges filed with him by a citizens' committee, the Governor assigned Judge Seabury to investigate also the administration of the Tammany district attorney, T. C. T. Crain. On all except four charges Judge Crain was found not guilty. With respect to the four charges, which Judge Seabury declared had been proved, he held that they did not constitute cause for removal; and the Governor dismissed all charges.

With the same staff of young lawyers and accountants which had served him in the magistrates' inquiry, plus additional legal aid, and in quarters which occupy a whole floor in the new State Building in New York City, Judge Seabury is guiding the legislative committee in its sweeping investigation not only into the magistrates' courts of New York County but into the governmental affairs of all five counties which make up the greater city. Again pay checks and bank accounts arrive daily but by the truckload instead of in taxicabs.

Dr. Doyle's phenomenally large earnings are before the committee. Ex-Judge Vause has been asked to explain what happened to his \$250,000 pier lease fee, which he banked and then withdrew through a dummy. While Vause was being examined the chief engineer of the Department of Docks, who had been called by the committee in connection with pier leases, "fell or jumped" (according to police findings) in front of a subway train and was killed. Ewald has been summoned to explain his \$10,000 "loan" to the Tammany boss who made him a magistrate; while the policemen who banked huge sums, and their superior officers, have had subpoenas thrust into their hands. With the coming of cool fall and winter weather the committee will begin its major operation upon Tammany.

Tammany is already in pain with respect to its old friend, Dr. Doyle. Summoned by the committee, and offered immunity, he was asked point blank with whom he had split his large earnings. He declined to answer and was ordered to jail for contempt. He appealed from the order. The Court of Appeals sustained the contempt proceedings, but decided that the committee had no power to grant a witness complete immunity.

While the court proceedings in this matter were under way, Mr. Curry quietly stalked upon the scene. From his self-styled "throne room" in a fashionable Park Avenue apartment, he called up a Tammany member of the Appellate Division of the Supreme Court who was on vacation in the Adirondacks and asked him to hear Doyle's appeal, although at that very moment another Appellate Justice was waiting in his chambers in New York City to hear the appeal. By arranging to have the appeal heard by the vacationing judge, Curry debarred Judge Seabury from attending the hearing.

Mr. Curry was forthwith summoned before the committee. He admitted having phoned the judge, but declared that he would have done the same for "any good Democrat." Facing the placid and judicially dignified Seabury, Curry accused the committee of trying to effect the "crucifixion" of the Democratic party in New York. He frankly admitted that Tammany was vitally concerned in having the committee declared an unconstitutional body.

Within a few days the Legislature was called into special session by Governor Roosevelt, and it passed an amendment which gave the committee full and final power to grant immunity from prosecution to anyone whom it pleased to call as a witness. No legislative committee hitherto concerned with an investigation of Tammany has had such a broad power.

IT IS RISKY to prophesy that Tammany faces destruction as a power in New York. Prophets more hopeful than accurate have on many occasions prognosticated the total eclipse of the old machine when civic surgeons were operating upon it.

Today, however, the racketeer is entrenched in New York. So also is a type of fixer known as a "chiseler." In the magistrates' inquiry the workings of six racketeering organizations known as "social and benefit associations" and headed by former loyal but not too pros-

perous Tammany lieutenants, were disclosed. For the price of a membership and occasional assessments, they guaranteed to members anything they required in the way of influence with the police, courts and city departments. They claimed to be able to bring about the quashing of a traffic summons or to "fix" criminal cases up to but not including murder. Tammany judges, Tammany city officials, and Tammany prosecutors were honorary members of their societies. They were in a position to do for a member any favor a political boss could do, but without his aid. Trained in the Tammany school, they had learned its secrets for success and prosperity; and on a strictly commercial basis they were offering for their members anything a boss could do.

No such internal menace has ever before threatened Tammany. It is the price the old machine must pay for its long-established reputation for making and owning judges, and for running the police department. And like the racketeer, the shyster lawyer a creature of Tammany appropriately known as a "chiseler"—has been stealing Tammany secrets. He eliminates the district boss by dealing direct with judges and by splitting his extortionate fees with court officers and the police, thus making it unnecessary to call upon any boss.

Will Tammany survive this triple attack? Is it capable of the strategic and tactical moves which guided it through disaster when it was commanded by old generals like Tweed, Croker, and Murphy? Today Tammany has no general. Mr. Curry is proud to say he is no high-hat general. He represents the district bosses, the privates in the army, and they are in command. But is there not an old principle that without a general an army goes to pieces?

Just ahead is a hard winter before the old machine. Not only are the political fortunes of Tammany involved, but the troubles of Tammany may shape the political destinies of two men—Roosevelt, who knows what a burden Tammany is in a presidential campaign, and Seabury, who knows it, too, but frowns when he hears himself described as a possible presidential candidate. He would rather have his audience take him at his word when he explains that his motive in undertaking the jobs that have been assigned to him is his strong conviction that the courts of the republic are the bulwarks of liberty, and that corruption in them is a fatal thrust at the heart of democracy.



JUDGE SEABURY (sixth from left, seated) and his staff of attorneys required for the huge task he has undertaken—laying bare the corruption of Tammany.



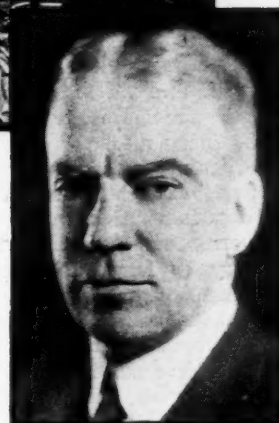
Magnitogorsk—heralded as the future Gary, Indiana, of the U. S. S. R.

© Press Cliché

Life Under Bolshevism

AN AMERICAN OBSERVER COMMENTS ON RUSSIA

By ELIOT WADSWORTH



© Underwood

AFTER A BRIEF VISIT to only the western part of Russia, I make no attempt to speak as an expert. Russia is so vast in area, including every climate from semi-tropical to Arctic, and it has so many different races among its 160,000,000 people, that to speak of it as a whole is almost impossible.

It is difficult to form a judgment of a country where the State owns everything and the individual nothing. The ordinary rewards for work and skill do not exist. To have a home with all that it means, or to lay aside anything for the future, is forbidden. The usual measures of human progress and happiness do not seem to apply.

After fourteen years of Communism the most amazing condition is the overwhelming power of the Government. No industrial worker can get a job, a place to sleep, or the right to buy food and clothing, except through a government agency. Without government approval he may find himself jobless, homeless, and penniless.

The State promises old age pensions, hospital care, unemployment benefits, support and education for children. The individual is supposed to be relieved of such important responsibilities, and is not intended or allowed to accumulate a reserve to meet them.

But all these benefits can be withdrawn instantly from any man or woman who appears to be acting in any way against the State. It is hard for an American to grasp the power of such a bureaucratic dictatorship. No individual is free from the fear that suspicion may turn toward him and a penalty be applied without warning. This is paternal government to the last degree, skillfully designed to enforce discipline.

Could it perhaps be this system which makes the people walk the streets unsmiling, silent, and usually alone?

Somewhat similar control is extending among the peasants. When a peasant gives up his farm to a collective farm he becomes a wage earner, dependent for food, housing, clothing upon his good standing with the local Soviet.

The Five-Year Plan is talked of incessantly; but I could not learn what it is today, or how far the plan of 1928 has been carried through. A good deal of work has been done, factories built, and machinery installed. But it has proved easier to put up buildings and have experts install machinery than to operate efficiently. From some observations, and many discussions with those familiar with the situation, production appears to be far below expectation.

One large new factory which I visited was scheduled to begin production a year ago. There were 15,000 men and women working in the plant, some on construction, some being taught to run machines, others running machines, but no product was forthcoming and no prediction was made as to when production would start. An official frankly said that some American experts would be very welcome. On the other hand, engineers long familiar with Russia testified that eventually, by the use of much man-power, plants do get into production, though never with the smoothness and economy that is looked upon as a modern standard.

Another handicap is the overloaded railways, which often delay delivery of raw materials and fuel.

Last but not least, credit abroad is essential to the Plan, and Russia has not escaped the effect of the world credit crisis. The amount now owed for goods bought on credit is variously estimated at one-quarter to one-

MR. WADSWORTH is a former Assistant Secretary of the Treasury. He is also a member of the Board of Overseers of Harvard University, a director in the engineering firm, Stone & Webster, and chairman of the Committee on Cooperation in the President's unemployment organization.

half a billion dollars. Wheat, oil, and lumber, are the principal assets to be sold to get cash to meet these debts. The present panic prices for these commodities certainly cannot be helpful to the Russian treasury.

From a perhaps too practical viewpoint the Plan lacks reality. It is to provide modern equipment such as automobiles, trucks, and tractors, in a country where such essentials as hammers, nails, and other hardware are almost unobtainable, where passable roads are rare. Under the Plan the largest water power in the world is being installed in a country where the use of electricity is very limited. The plant is hundreds of miles from any large market. To use the power a metallurgical city is to be created. The ground is now being cleared on which a new city is to be built to house the workers in electrolytic industries which, so far, are only on paper.

There can be little doubt that in time the Plan will bring forth manufactured products in some volume, but there is and will be for years a tremendous need for such goods in Russia.

Ordinary measures of national finance—the budget, debt, taxes, and currency—can hardly be applied to Russia. Almost astronomical figures would be needed to describe the enormous governmental business. The Government theoretically buys everything produced by factory or farm, and redistributes it to the people through tens of thousands of little stores known as Co-operatives, and at commercial stores.

At some Coöperatives a worker may buy bread daily at a modest price, a quota of butter, meat, and other food at certain intervals, when available. At other Co-operatives clothes, shoes, shirts, and such things may be purchased once in so many months, if they are in stock. Long lines wait patiently for hours to gain a chance to buy before the slender stocks are gone. Each purchase is entered on the Coöperative card of the worker as a permanent record of what the State has furnished. To have one of these cards is almost essential to keeping alive.

The commercial stores sell the same goods (when there are any) at three, four, or five times the Coöperative prices, without recording purchases on the card.

The extent of this business, involving food and clothing for 160 million people, is not stated in any report. To keep proper books would certainly test the greatest accounting experts. Probably all the chain stores of America put together would look small compared with what the Russian Government is undertaking in the merchandise field.

The Government runs a national bank, operates farms, and dairies, all hospitals, schools, railways, electric light, and gas; in fact, it owns and manages all business. As owner of all the buildings the Government is landlord to every resident of a city, allocating tenants to each room and collecting rent.

To analyze the finances of such a governmental organization would be an endless task; to attempt comparison with other Governments would be futile.

No recent statement of currency issue was available, but the amount has been increasing. Its exact value is uncertain. At the offices of the State Bank the rouble has a fixed value of 51 cents. Elsewhere in Moscow it is said to bring 10 cents, in Berlin 5 cents, Warsaw 4 cents, and a quotation from Harbin was as low as 2 cents.

In 1930-31 bonds were distributed to the people by selling campaigns, to an aggregate amount, I was told, of over 3½ billion roubles. Within a year or two the National Savings Bank has been inaugurated, and a strong drive is being made to encourage people to make

deposits. Such deposits practically go into the national treasury and become a liability of the government. It seems a contradiction of Communist principles to urge people who are not allowed to own property to invest their hard-earned roubles in bonds or to accumulate a savings account. Such methods of replenishing the Soviet treasury might appear somewhat capitalistic.

To a new arrival in Moscow, or any other Russian city, the long rows of empty stores are evidence of another strange result of the new system. Anywhere else these stores would be the most sought after property; but there can be no retail business, or need for display of goods, when no one has the right to own any goods to sell. That pleasant pastime known as window-shopping is no part of life in Russia. Some of the stores are occupied as sleeping quarters, but most of them offer a dejected appearance with their dirty and sometimes broken windows.

The new Russian calendar eliminates Sunday. Each worker gets one day off in every five. All business runs every day, with one-fifth of its staff on holiday. The plan is adopted to save the hours of idleness of the Saturday afternoon and Sunday holiday. No doubt this creates some unusual operating problems in office and factory. In a family it sometimes happens that a man, his wife, and perhaps an older child, who are all working, may have different days off and so never have a holiday together.

The question is often asked: "How do people look?" There appeared to be little of the joy of living in their faces and their general demeanor. They look fairly well nourished, and I was told that the present ration is sufficient but with little variety. No one could fail to be impressed by the universally poor and often shabby clothing.

Another frequent question is: "How do the people like it?" I asked that question of a very intelligent Russian. The reply is the more interesting because it was made in perfect English, learned from her English governess, by someone who had traveled much in Europe before the war.

"The royalists are gone," she said. "What they think therefore does not matter. Of the bourgeoisie, perhaps half remain. They have adapted themselves to the new conditions, have jobs, and get along. Of the workers, who formed a larger part of the population in the cities, many feel better off than they were. Under the Czar, workers were confined to that part of the city in which they lived, and were not allowed in certain other parts. The Jews had to live in the Ghetto. Now people live wherever their room is allotted. They can go anywhere, even sit in a box seat at the theater if they wish. They are dressed about like others, and need not offer deference to anybody as long as they do their work and do not fall out with some government official. They live from day to day."

Of course this only applies to those who are old enough to remember conditions of fifteen years ago.

I asked how the peasants liked it. The answer was a shrug of the shoulders, and the words: "Who can tell?" The condition of the peasants has changed often.

Those words "Who can tell?" would answer nearly every question as to the future. Conditions and the rules of the game are continually changing. The right of private trading was granted and withdrawn. Today there is piece-work, higher pay for experts, bonds, and savings, which can be withdrawn at any time. I found those most familiar with the present least willing to generalize or predict about the future of this greatest communistic experiment.

"COME THE WORLD AGAINST US; ENGLAND YET SHALL STAND"

The British Capture London

By FRANK H. SIMONDS

THE PAST WEEKS have seen a crisis in Britain which, in reality, is no more than the extension of the Continental crisis that has been developing for at least two years. Britain, in the throes of a domestic crisis, has been caught by the backwash of the general European unrest. In itself the immediate difficulty was the consequence of the fact that London was performing its accustomed task as an international banker. It had lent large sums of money, which came originally from Paris and New York, to Berlin. Berlin in its turn, having been struck by a domestic crash, was unable to return her borrowings to London, and London was temporarily embarrassed in the face of Paris and New York.

The essential difference between British and German circumstances lies in the fact that the British have the resources to meet their creditors. Their total obligation to France, for example, does not exceed \$1,000,000,000, while their foreign holdings aggregate \$20,000,000,000. This problem, therefore, is not a problem in national solvency, but merely in the mobilizing of national resources, and has been met by temporary accommodations from Paris and New York. So far the British crisis is technical and not fundamental.

On the other hand the domestic crisis is fundamental. In the post-war years Britain has been hit by an enormous shrinkage of the world markets for her industrial production and her coal. Concomitantly the war imposed upon her the burden of a national debt of upwards of \$35,000,000,000—against \$16,000,000,000, which is the present total of the American. Finally, she has undertaken to support her unemployed, which have mounted now to nearly three millions, by a vast system of government subsidy known as the dole. And the sum of her burdens has been such as to impose a weight of taxation which has made domestic production too costly to compete with foreign.

Britain has thus been wandering about in a vicious circle. Cost of production has reduced trade, reduction of trade has increased unemployment; increase of unemployment has swollen costs of production. A few weeks ago a non-partisan commission, appointed to investigate the state of British finances, reported a prospective deficit of \$600,000,000 in

the governmental budget. This report coincided with the development of the financial crisis. The British people saw themselves at one time condemned to borrow money in Paris and New York to support the Bank of England, and to face an acute problem in domestic housekeeping.

In this situation the Labor Government was brought face to face with the practical problem of balancing its budget. And to balance its budget it had either to impose fresh taxation, which would add new costs to production and thus increase unemployment and dole payments, or to reduce the dole as well as all other forms of governmental expenditure. MacDonald, confronted by the emergency, proposed a general spread-over of the costs of balancing the budget. Equality of sacrifice was to be the basis of adjustment.

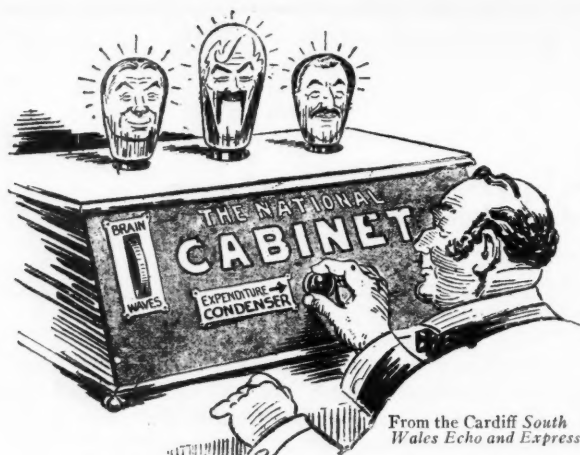
But straightaway Labor balked. MacDonald's own associates, the rank and file, all but a few of his cabinet colleagues—four ministers out of twenty-one—flatly asserted that capital and not labor must bear the costs of the readjustment. The result was a split. MacDonald, Snowden, Thomas, Sankey, and later Jowitt (the Prime Minister, Chancellor, the legal ministers and the minister of colonies) followed their chief into a national government to which the Liberals and Tories adhered. The rank and file of Labor passed into the opposition. It expelled MacDonald and his associates, choosing Arthur Henderson, until recently Foreign Minister, to replace MacDonald as party leader.

A national government therefore undertook to impose a program of national reorganization. But in this national government Labor was not officially represented, and as a consequence the political struggle in England took on a new aspect. Capital and Labor were for the first time solidly aligned against each other, and Labor adopted an open attack upon the whole financial system of the country. The recent crisis was interpreted as a conspiracy of high finance to expel Labor from power, and to impose the burdens of national readjustment upon the working man.

Thus Labor went Red and the rest of Britain went British. Stanley Baldwin, the former Tory premier, took office under MacDonald. Lloyd George being ill, Sir Herbert Samuels repre-



From the (Glasgow, Scotland) Evening News
BALANCING ENGLAND'S BUDGET



"WANTED—a good program." John Bull tunes in his radio for a program of reduced government expenditure. The tubes represent the leaders of three parties in the new National Cabinet—Stanley Baldwin, Ramsay MacDonald, and Sir Herbert Samuel.

sented him. In a peace crisis, like that of 1917 in the War, the old parties of Britain dropped their partisan interests to share in a task of financial sanitation which was to be admittedly only the prelude to a new general election. And this election, at the moment I write, is forecast for October.

THE DOMESTIC political aspect of this British affair is, however, so significant and so profoundly interesting that I shall limit my comments this month to a consideration of it in the light of the man about whom it centered. Ramsay MacDonald, yesterday the leader of the British Labor party, today Prime Minister of a National cabinet, and tomorrow (if Bernard Shaw is right) Viscount Lossiemouth, is a figure not unfamiliar in our own time. His is the figure of a revolutionist who, at the critical moment, could not bring himself to take the final step.

Every Continental capital, save Moscow, is today full of Russians who were pink before 1917, but who, when Bolshevism flamed into fiery red, stepped aside in horror. The French Revolution turned up the same type. With the recent crisis in Britain, the struggles between the masses and the classes came to a square issue, the whole capitalistic system was at stake. And in the hour of decision MacDonald proved a pacifist in class war as he had been in the World War.

The issue was net: poverty or property; the pound sterling or the poor man's dole. For MacDonald, national credit suddenly became more important than class considerations. In a word, the revolution which this man had started outgrew him. He could not follow the principles of his party to their logical conclusion.

Unmistakably, when the first bitterness was over, there was a profound sense of relief in the ranks of the Labor party. It had escaped alike from an impossible situation and an equally impossible leader. The situation was impossible because the Party had to carry on a government in conformity with a system it was out to destroy. And its fortunes were

directed by a man who at heart was not a revolutionary, but at most a reformer. His sympathies were radical but his principles were fundamentally conservative.

The departure of MacDonald, however, marks a decisive date in British political history. Despite its essentially British characteristics, this revolution is nevertheless real. There is little of Bolshevik fury in it, and none of the "heads-rolling-in-the-sand" business of the German National Socialists. But British Socialism is determined to bring about a redistribution of the wealth of England and, at heart, it is ruthless. The thing it intends to do is something quite different from the rose water and smelling salts reforms of MacDonald. While there is no guillotine and no Cheka in Labor's program, there also is no quarter for capital.

Had MacDonald been able to impose his will upon his party, Labor would have been finished, because it would have sacrificed its principles. It would have recognized, as MacDonald did, that in a national crisis there is no room for socialistic experiments. What was at stake in England was the whole capitalistic system, for had Labor shared in the salvaging of the pound sterling, by that act it would have recognized the capitalistic system as essential.

Now Labor goes out of power with its principles intact. It departs into the wilderness a party of revolution. When it comes back, as it must inevitably, it will come back still more completely revolutionary. Its ranks have been purged of the members who were at heart moderate.

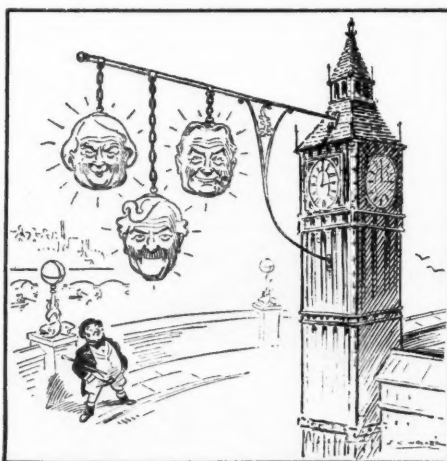
In the larger view it means that British Socialism has taken a long step toward the Continental. The immediate emergency in Britain will be settled, British credit will be restored, a new election will bring in its train a loss of seats and of power to Labor. But Labor will fight that battle on the issue of capital with the international financier as its immediate target and with a franker employment of demagogic appeal than ever before. Having lost a battle but begun a war, Labor will wait. It can afford to wait.

AS FOR MACDONALD, he presents one of the most interesting pictures of our own time. During the exciting days of the London Naval Conference, he suddenly astounded an international press meeting by bursting into an eloquent harangue about Stonewall Jackson. The strategy of the Naval Conference was that of the Rebel General; the pending phase was like the march to the Potomac. This outburst from a pacifist Prime Minister frankly bewildered the American audience.

"It is simple enough," the most brilliant of Labor journalists later explained to his puzzled colleagues. "Do you remember the poem—

Up the street came the
Rebel tread,
Stonewall Jackson riding
ahead?

"That's what got MacDonald. When he went



From the Cardiff (Wales) Western Mail & Wales News
JOHN BULL (noting a sign of the times): "Ah! Now I wonder if I shall be able to redeem my stability?"

to the Rapidan and met Hoover, he heard about Jackson and read about him. And the Rebel General caught his imagination. He saw himself playing the Jackson rôle. He never was able to read about the Battle of Waterloo without fancying himself at the head of the Old Guard, which would die but never surrender. You think of him as a pacifist, but in fact he is a romanticist. You talk of him as a radical, but actually he is beyond all else an actor, the greatest British actor since Garrick. And if he ever has the chance to play St. George for England against the dragon—God help the Labor party."

That is exactly what has happened. The rôle of St. George was suddenly thrust upon the Socialist Prime Minister. And it was so like him, when emerging from the conference at which his party had declined to join in the new crusade, that he should let himself be discovered by the watchful journalists, his head buried in his hands, his frame shaken by emotion of parting from his life-long associates. But a few hours later he reappeared, proud and confident in the rôle of national savior.

No one should conclude that, because MacDonald enjoys and even exploits his emotions, they are insincere. On the contrary he has infinite capacity for suffering. He is of the stuff of which martyrs are made, but not militants. He is incapable of suffering privately. The tears which come so readily are covered by his hands, but through his fingers he still perceives the camera.

This capacity for infinite dramatization marks the whole of MacDonald's last two years in power. Viewed collectively, these years have been no more than a moving picture, a procession of crises and conferences. They begin with the leap across the Atlantic, the journey to the Rapidan with all the cameras in the universe clicking, and the newspapers of the world following breathlessly. Then there is the great moment when, at the opening of the Naval Conference, MacDonald leads the King to the waiting throne, the eyes of mankind again on the picture.

There are the critical moments in the conference when the heart of MacDonald almost visibly bleeds for the world. But hope rises triumphant above the temporary disappointment in the final scene. There is the Indian Conference with MacDonald again in the chair, the fate of the British Empire at stake. Comes the



From the London Daily Express

"NOW WHO will stand on either hand, to keep the bridge with me?" Prime Minister MacDonald, Socialist, here appears as Horatius at the bridge. Stanley Baldwin, Conservative, and Sir Herbert Samuel, Liberal, are his doughty assistants in the task of holding off the British deficit, and maintaining credit intact.

financial crisis in Germany, and a London Conference with MacDonald again in the chair, the planet once more concentrating its attention on its occupant.

And now the last scene: British credit collapsing as all credit collapses when revolutions are in the making. The results of two years of socialistic endeavor are being translated into the market value of the pound.

It all hangs together, this picture. You see what Ewer of the Daily Herald meant when he called MacDonald the greatest British actor since Garrick. Nor should one forget the background: the poor boy from the sombre Scotch village; the years of privation there and of grinding poverty in London; the tragic ending to a romantic love story; the war years, when the pacifist was treated as a moral leper by all his fellow countrymen—and then, the apotheosis, Prime Minister of a National Cabinet, the leader of the leaders of all parties by the express request of Majesty itself.

After all there have been few great plays with a more dramatic ending. The political curtain to the MacDonald epic lacks nothing as a climax. If, when the National cabinet ends, it is to be Viscount Lossiemouth, the House of Lords will have one member who looks and acts like a peer of the realm. He will be a lonely figure, perhaps, and there will be sense of tragedy in his isolation. But there will be a dramatic touch in every moment of it.

How Lloyd George must envy MacDonald this final act in his career, the penultimate crisis. With all his ability as an actor, and it was far from inconsiderable, Lloyd George was unable to arrive at MacDonald's artistic heights. He too divided his party. He too sacrificed almost as copiously as the Labor leader. But the gifts of the Welshman were different from those of the Scotsman. He was a tight-rope walker who eventually fell, but the fall of a tight-rope walker is only a blunder. MacDonald by contrast is an actor, and his fall was tragedy itself.

The end of that final act is not yet. We shall see MacDonald in the movies from one end of this earth to another for some weeks still, perhaps for months. His sacrifice will grow, not diminish. His publicity value will increase, not lessen. And beyond there is the perspective of the ragged barefoot boy of the Scottish cabin translated into MacDonald, Baron Lossiemouth.



From the London Daily Express

ENGLAND'S NATIONAL CABINET ENTERS AMID LABORITE JEERS

A university research laboratory makes
over an industry five thousand years old—

COPPER

Can Now Be Made Hard

By WILLIAM E. GAMMON

LIKE ALL BASIC COMMODITIES, copper suffers from depression. During the past year and a half producers have grown gray contenting themselves with the economic truism that the world could not long do without the metal.

Meanwhile quiet research has been looking toward rejuvenation of the industry and this age-old resource. An Aladdin of industry in the guise of a college professor, Dr. Curtis L. Wilson, of the Montana School of Mines at Butte, still in his mid-thirties, has brought youth and vigor and science to his conquest of copper. He has become far more intimate with copper's personal life than ever did Mr. John Erskine with that of the immortal Helen of Troy. The results of his research, had they received the attention of a tabloid writer, might have burst into the public prints with this screaming headline:

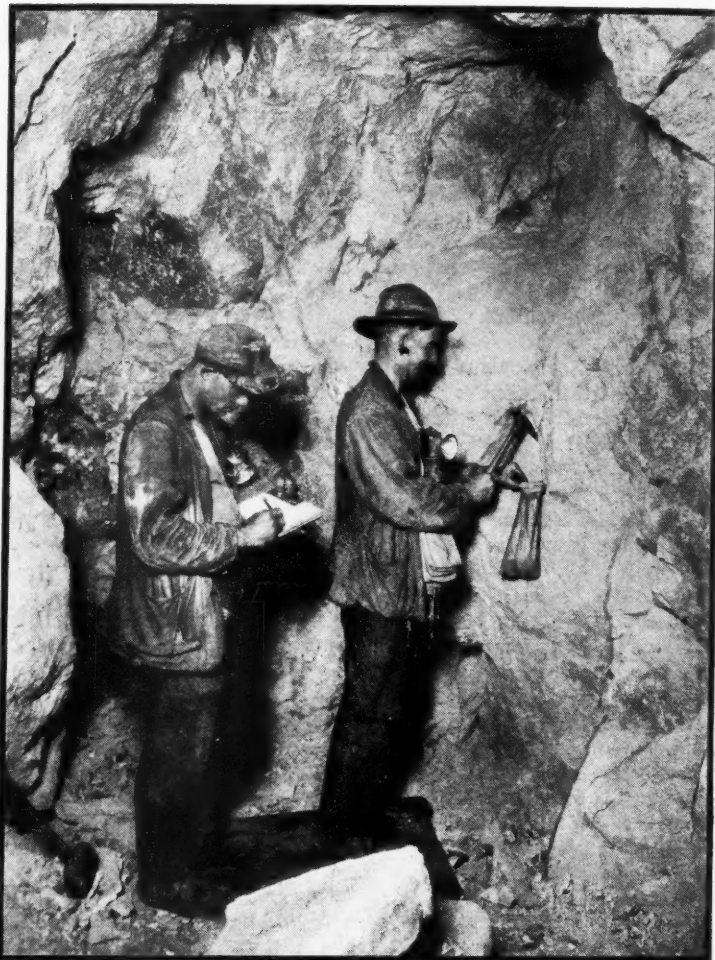
**Science Strips Veiled Lady
of Universe; Virgin Beauty
Found Under Painted Face**

Another headline writer, swayed by different emotions, might have drawn attention to the story in this fashion:

**Copper Becomes Harder
With Rough Treatment
Like Chicago Gangster**

Lurid, perhaps, but none the less true. "Copper color" is a misnomer, and in rough treatment lies the secret of the so-called lost art of tempering copper—an art which existed only in myth, to be perpetuated on unsuspecting generations by archaeologists whose forte lay in other fields than metallurgy. Yet copper can be hardened, until its tensile strength is 100 per cent. greater than that of structural steel; and it is on that achievement that this story dwells.

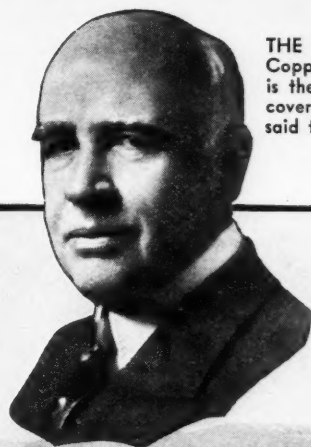
Most of us who made the acquaintance of copper early in life in the form of pennies, an acquaintance strengthened in later years by poetic allusion to the "copper skinned" maidens of Indian days, never would recognize copper stripped of its painted face. And it never appears from behind its veil unless forced to do so by the metallurgist.



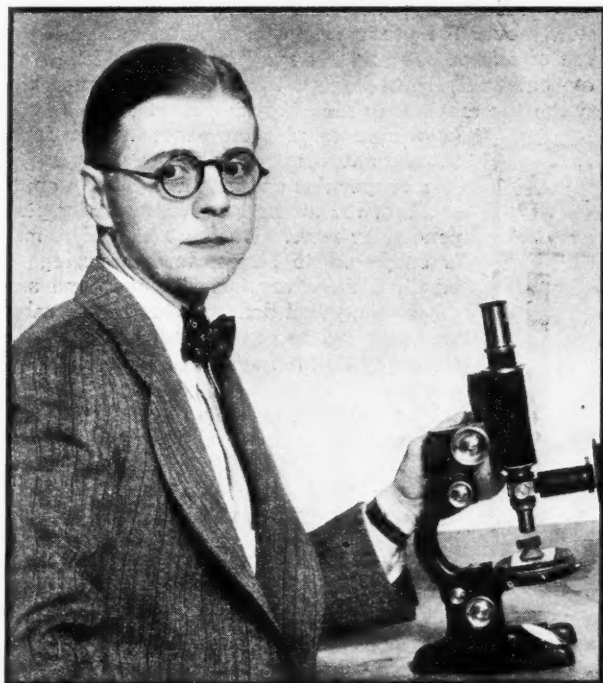
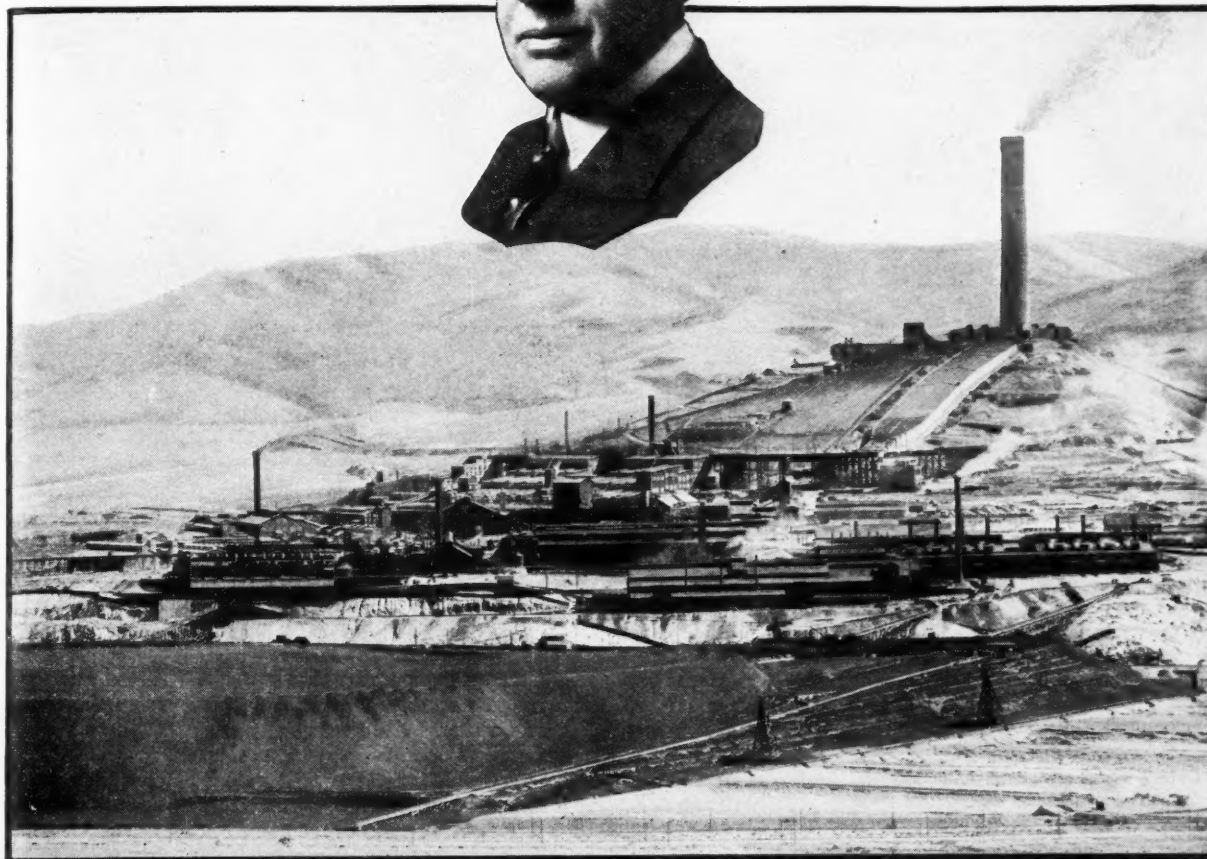
GEOLOGISTS taking ore samples as work progresses in a mine of the Anaconda Copper Company.

A bit of the red metal is placed in a fused quartz tube through which we may watch its extraordinary *toilette*. Dr. Wilson connects the tube with an apparatus which plays a constant stream of hydrogen gas over the copper and heats the tube slowly with a small gas flame. The hydrogen serves merely to protect the metal from the oxygen in the air; and as the oxygen introduced into the tube with the metal is driven off by the heat, the copper reveals itself as a shining silvery mass. Watson Davis described its color as "delicately tinted with pink, like the inner petals of a rose, less

CORNELIUS F. KELLEY, head of the world's largest copper company, and donor of a graduate fellowship in the Montana School of Mines.



THE ENORMOUS reduction works of the Anaconda Copper Mining Company near Butte, Montana. Close by is the Montana School of Mines, where Dr. Wilson discovered how to make copper harder than steel. It is said that the Washington Monument could be completely hidden within this huge stack.



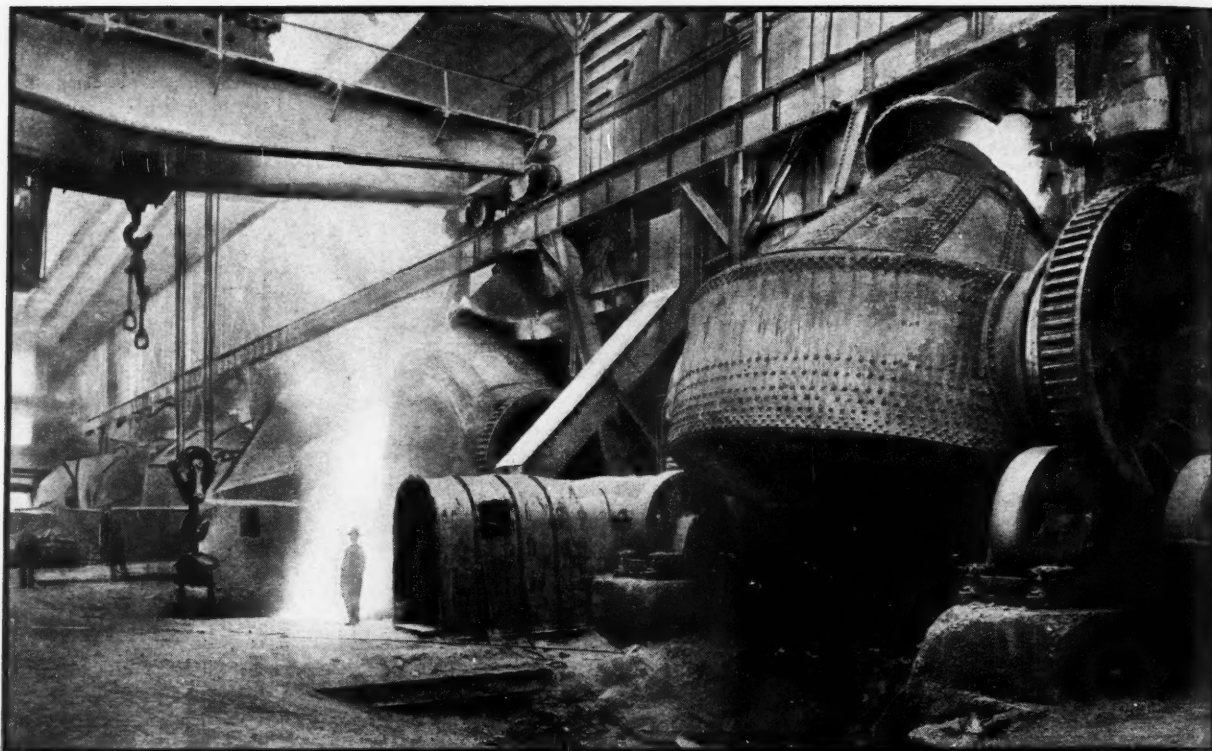
DR. CURTIS L. WILSON, of the Montana School of Mines, who has perfected a copper-hardening process.

gaudy than gold, less steely than platinum." The instant that air strikes the copper in the tube, the metal dulls into a red streaked with blue. Then it takes on the reddish-brown appearance of a beach lounge's shoulders.

Like the search for perpetual motion, the pursuit of a copper hardening process led many an erstwhile experimenter and pseudo-scientist on long and futile quests. Newspapers recently carried reports of the discovery of this lost art by a Negro foreman in a mid-western foundry. His attorney told reporters that a million dollars had been rejected for the secret process. The story is recounted here not in criticism of the press, but to illustrate the extent to which this belief in a mythical lost art has been embedded, and to show the prevailing idea that fame and wealth were his who restored this valuable process to the realms of man's knowledge.

Significant is the fact that when a commercially practical process by which copper can be hardened was perfected in the School of Mines laboratories, the process was made available to the industry without thought of financial gain to the institution, to the state, or to Dr. Wilson. Yet this process is regarded by metallurgists, by industrial chiefs, and by scores of manufacturing concerns as a major contribution both to science and industry—providing for the new birth of a metal which already has had the happy experience of two youths.

It is revealing of Dr. Wilson's personality, and his



IN THESE HUGE CONVERTERS COPPER IS PRODUCED FROM SMELTED ORE

attitude toward research, that hardening copper was not the primary object of the original research which led him to perfect the process. Hardness was only an incidental object of the study, which was listed officially on the School of Mines schedule as "an investigation into the properties of copper containing small portions of nickel and silicon."

Such an alloy had been produced previously by Mr. M. G. Corson, but no critical reports on its metallurgy had been made, nor had it been adapted to industry. It was to obtain these data, to cover completely the limited field of research specified in the title of the undertaking, that work was started.

Interest in the scope and the meaning of the research was given tremendous impetus when early results suggested to Dr. Wilson that hardness was not merely an incidental property of the alloy copper, but one which could be controlled positively. Experiments were started immediately to prove or disprove this theory. Months later, Dr. Wilson and his associates were able to tell what happens to copper when small percentages of nickel and silicon are added. More important still, they had plotted on a graph the critical relationship of time and temperature in the heart-of-the-process phase, the simple heat treatment by which copper, 98 per cent. pure, can be given a tensile strength of 130,000 pounds to the square inch. This is twice the tensile strength of structural steel, yet the resulting metal possesses the fundamental characteristics of pure copper.

Dr. Wilson's success is attributable partly to the fact that things are not what they appear to be. Primitive man thought the world was flat, because it looked flat. He

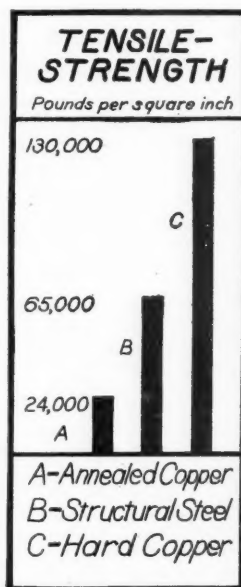
for example believed the sky to be an inverted bowl. To him the sun rose on the one hand and set on the other. His was a world of first impressions. Science now has revealed copper to be other than it appears. With X-ray and microscope we learn that an ingot of copper really is a mass of copper crystals; and if we take a step further we learn that the crystal itself is composed of more minute atoms, each a miniature solar system.

These things have been given us by the new science of metallography; this knowledge has been gleaned slowly over the years; it is contemporaneous with the use of microscope and X-ray. Because the length of the extremely short X-rays is about the distance between the atoms in a metal crystal, metallurgists have been able to plot on paper the intricate atomic patterns of metal.

In copper this pattern resembles an apple orchard, the atoms lying in mutually perpendicular rows. When a piece of copper is subjected to strain, to hammering or bending, these crystals slip over one another along well defined planes observable with the microscope. The paths which slippage takes have been named slip planes.

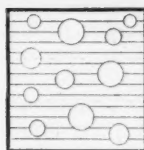
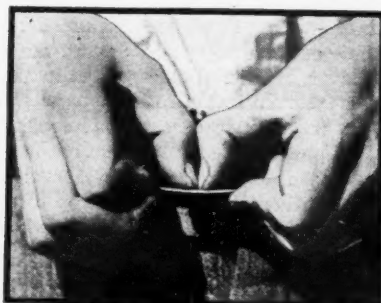
Hammering the copper causes slippage to occur, first along one plane and then along another. The crystals are compressed and distorted until they are more tightly knit. This causes the metal to offer greater resistance to external strain; in other words, to become hard. Hammered copper was the first hard copper, though not hard when compared with the bronzes which were to follow.

Just as the first copper used by man was native metal, found in streams and outcroppings—such as the Lake Superior





THE PICTURES below show a man easily bending annealed copper, while vainly trying to budge the hardened metal. The diagrams tell why. In ordinary copper (left) the crystals readily slip by one another along well-defined lines. In treated copper (below) tiny particles of nickel silicide prevent slippage.



Dr. Francis A. Thomson, president of the Montana School of Mines.

lodes, utilized by the American Indian long before the coming of the white man—so the first bronzes were the result of the smelting of copper ores containing tin. These were not true alloys, inasmuch as an alloy is a purposeful mixture of metals. Tin does not occur in a native or metallic state, and at that early time had probably not been smelted from its ore. Later true bronzes were manufactured by mixing the individual ores of copper and tin.

Both tin and copper are soft metals, but the alloy—bronze—is comparatively hard. Bearing in mind the analogy of the apple orchard, it is interesting to see what happens when a small percentage of tin is melted with copper. The X-ray reveals that the tin atoms displace the copper atoms in the rows, just as the horticulturist might plant peach trees at regular intervals in his apple orchard. Furthermore, the tin atoms, being larger than the copper atoms, extend farther into the interstices between the rows. Hence they act in much the same way as a brake shoe in an automobile, or sand on a railroad track. They serve to retard slippage along the planes.

It appears, then, that the obstacle Dr. Wilson has overcome in hardening copper is the tendency of the crystals of metal to slide over one another. Silicon and nickel are melted with copper; they are absorbed much as a teaspoonful of sugar is absorbed in a glass of water. The alloy is quenched in water, a treatment which makes possible retention, in a solid form, a structural quality somewhat analogous to the liquid solution of sugar and water.

In this condition the copper is soft. It may be handled commercially as easily as other soft alloys, notably brass. It retains the outstanding characteristics of pure copper, so that it may be cut into gears, drawn into wire or cable, or otherwise fabricated.

The alloy then is placed in a heating furnace and baked slowly for an hour at a temperature of about 500 degrees. This, the final treatment, causes the nickel silicide (now scattered uniformly throughout the copper) to precipitate, just as sugar precipitates on the edge of the glass when the water has evaporated from the solution.

Again remembering the analogy of the apple orchard, one examines the alloy with microscope and X-ray. Between the rows of atoms, corresponding to the aisles between the trees, minute particles of nickel silicide have precipitated. Slippage of the crystals when the metal is under strain is prevented.

THE MONTANA SCHOOL OF MINES, with the expansive mining operations of the Anaconda Copper Mining Company before it and one of the world's largest smelters behind it, is ideally situated. These huge operations afford examples of modern mining and industrial practice in its many phases for student instruction. Also they give to many a student the means of defraying part of his college expenses. Officials of the mining companies have made it possible for any student to work part-time in the mines; and fully half of them have taken advantage of the opportunity, working two shifts a week underground.

That practice and theory may meet, the college administration encourages the student to utilize this opportunity, but discourages the student who would try to earn his way entirely by such work.

The attitude of President Francis A. Thomson toward education and research is diametrically opposed to that of many educators, for he regards man's head as a workshop rather than a storehouse. This may be heresy to more orthodox educators, but not to industrial leaders. And it accomplishes wonders in the institution he heads.

"Research is the life blood of any educational institution," President Thomson says. "Without it, instructors face intellectual starvation and intellectual death. Nothing is more deadening than to teach, teach, teach, day in and day out, without the mental stimulus of experiment and discovery. Out of such a situation, devoid of research, grows that overwhelming conceit which makes the teacher the fulfilment of Bernard Shaw's sarcastic comment 'that those who can, do, and those who can't, teach.' And a college teacher in science or technology must do, or he becomes, in my judgment, a hopeless utilitarian.

"The implications of this with respect to the student body are perfectly obvious. A stream can rise no higher than its source, and although here and there a student may be found who will outstrip his mentor in intellectual accomplishment, neither the undergraduate nor the graduate student is likely to exceed the stimulus afforded by his major professor. A stimulating in-

structor begets a stimulated student; Professor Dryasdust may be a nice old chap, but he fires the imagination of no student.

"In scientific work imagination is both the cause and the result of research. Thus we are finding it is impossible to confine the research spirit to faculty and graduate students, and as a consequence our undergraduates are beginning to demand the opportunity of doing something on their own responsibility—which of course is the ultimate purpose of our type of education."

President Thomson points to the large industrial corporations everywhere, developing research organizations, and looking to college faculties for men to direct and carry out their programs of investigation. He points too to Montana's own "Con" Kelley, who began as a "nipper" in the mines of Butte while still in his 'teens, but rose to give his name to the Cornelius F. Kelley Fellowship in the Montana School of Mines. He did so in order that the Anaconda Copper Company, a \$450,000,000 corporation of which he is president, may have available for its metallurgical operations something of the brains and the skill and the imagination of the faculty who direct the work of the Kelley Fellow, and other graduate students.

Fortunate, indeed, is the instructor or student privileged to study at the School of Mines; for under Dr. Thomson's guidance a dynamic spirit of research and of the right to research pervades every department, firing the efforts of faculty and students alike. Roger Babson lists support of research as one of the four great essentials of business revival, and in this he is merely recognizing what every progressive enterprise already knows, that like the technical colleges it must either engage in research or die.

FROM THE DAWN of history until the end of the medieval period copper was the world's most important metal. The growing use of iron spelled the end of its first youth, and by the beginning of the nineteenth century the use of ferrous products again eclipsed copper. The rise of the American copper industry dates from the opening, in 1844, of the Lake Superior mines. But its second youth was delayed until the advent of the electrical business—when Morse, Bell, and Edison turned to practical use the academic researches in electrical phenomena that earlier scientists had conducted. This was followed in 1882 by the opening of the great Butte deposits, directly in front of the Montana School of Mines. From here comes one-third of the copper produced in the United States, and one-sixth of the world's supply. In 1890 Arizona's copper developments began.

Fluctuating markets for raw copper, occasioned by sharp-penciled executives of the electric industry, led producers to become manufacturers. They had observed that when profits were not to be made in the production of copper, a handsome margin existed on the fabricating end. The result has been that three great companies control most of the copper mines in this country and more than half of the plants manufacturing copper and its alloys. These are: Kennecott, with its principal mines in Alaska; Phelps-Dodge, whose properties mostly are in Arizona; and Anaconda, the greatest producer and fabricator of copper in the world, with a far-flung organization.

Still in the adolescence of its second life, copper was beset with serious competition and grave complications. The aluminum industry sprang up. New alloys appeared to usurp the place copper held in the industrial world. Only in the electrical field copper was undis-

puted king, for, silver excepted, it is the best conductor of electricity we have.

Consumption continued to climb, but its rate was retarded by prohibitive prices. New producing properties in South America and Africa came into being. Germany, which formerly bought 60 per cent. of her copper on the world market, started using home manufactured alloys. Today she is producing about three-fourths of her needs. Great surplus stocks of copper were amassed, amounting to about 640 million pounds at the present time. During the current depression copper has found a new all-time low price, and now is hovering about the bottom.

Against such odds the efforts of the Copper and Brass Research Association, formed by the producers to develop new uses and new markets for copper, were dwarfed. There appeared on the industrial horizon no really new use for this age-long companion of man's climb from barbarism.

It was into this picture Dr. Wilson stepped with a process which appears destined to give copper a new youth, and a new constitution peculiarly adapted for the strain and stress of the modern world. Aside from hardness, the new alloy copper possesses a remarkable fluidity. It can be cast with ease, and its castings are perfect, free from the bubbles which have been the bane of the copper founder's trade. And it retains to a remarkable degree its ability to conduct electricity.

Just what application the new alloy will find in industry is speculative. But it is a tribute to the eagerness and enthusiasm and thoroughness of American industry that scores of manufacturing concerns are investigating the hard copper with a view of adapting it to their operations. Scores of inquiries from the research organizations of leading industries are varied, ranging from dental equipment to plate glass, from photo-engravers to automobiles. It appears that it may revolutionize the engravers' craft; that it may permit tremendous savings in foundries and factories where gears and wheels and other heavy pieces are fabricated; that it may replace the cadam copper trolley wire of our street railways; that it may be used extensively in the manufacturing of machine parts where high tensile strength is required in addition to the other peculiar properties of copper.

These properties are its electrical conductivity, its capacity for conducting heat, its extreme ductility, its malleability, its high tenacity, its ability to alloy with other metals, its high scrap value, its artistic patina, and its ability to withstand corrosion. To a large degree all are retained by the new alloy copper. Some are actually enhanced. This fact, together with the ease with which the new alloy may be fabricated while in a *soft state* before being hardened, points to a myriad of industrial applications as well as to lowered manufacturing costs.

Historically ancient, we know copper was used by primitive man in spear-heads, knives, and axes. Chaldean relics dating back 4500 B. C., have been found, while more recent excavations have yielded native metal work of a more remote period. The old argument as to whether the first smelting of copper was accomplished by an Egyptian lady of dubious authenticity is of little moment. It is a nice legend. Egyptian ladies of her time used green face paint, manufactured from the green malachite ore of copper. The story has it that this woman inadvertently dropped a bit of her paint in the domestic charcoal brazier, and later discovered little pellets of copper in the ashes, thus bringing about the smelting of copper from its ores.

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Back to the Land

By FRANKLIN D. ROOSEVELT

Governor of New York

▼ WILL THE man out of work go back to the country, as the poor farm boy once came to the city? Should industry go even further, and put factories out in the country? The Editor asked Governor Roosevelt for his opinion.

I THINK THERE can be no doubt of the accuracy of your conclusion that during the present depression there has been a definite and widespread movement from the cities "back to the land." To a great degree this movement represents the tendency of former dwellers on farms and in small villages to seek refuge again in surroundings where they may be reasonably sure of food and shelter.

I have been prompted by your letter to make some inquiries, and I find that while the data available are meager they do serve to corroborate strongly my own impression that this movement has been under way for more than a year. There is, of course, a constant movement of workers both from farm to city and from the city to the farm. The roads, as you point out, lead both ways. But in general in recent years there has been a heavy balance in favor of the movement from the farms to the cities. Times of depression in industry cut into this balance and tend to swing the pendulum the other way. The whole movement as it relates strictly to farms (and this refers to the only definite data available) has been complicated by the serious agricultural depression that had set in before the industrial slump began.

For several years past the Department of Agriculture and Markets of New York, in cooperation with the Department of Rural Economics at the State College of Agriculture, has been gathering sample figures on this movement between farm and city. The last available are for the year that ended on February 1. These indicate that the number of men and boys who left farm work for other occupations in that year, in New York State, was 23,000. This was 11,000 less than the number who left the farms in the preceding year. The movement from industry to farms in the same period was 17,000, some 3000 less than in the preceding period but 9000 more than in the next preceding year.

The foregoing relates only to men and boy workers, and not to the whole farm population. It has no reference to the movement to and from rural communities other than farms. It shows a net movement of farm workers to industry of 6000 in 1930 (year ending February 1, 1931), as contrasted to a net movement of 14,000 in 1929, 16,000 in 1928, 9000 in 1927, 23,000 in 1926, 19,000 in 1925, and 19,000 in 1924.

What is even more interesting to note is that, according to data gathered by the same authorities, the entire farm population of New York State actually in-

creased 9000 in 1930, recovering losses which it had suffered since 1927.

The same condition was noted nationally, the Bureau of Agricultural Economics of the United States Department of Agriculture finding that the farm population of the country had actually increased, though only slightly, for the first time in ten years.

New York State figures show a similar tendency in relation to the last previous business depression. The number of farm workers going to city industry dropped from 40,000 in 1920 to 17,000 in 1921; and the number moving back to the farms rose from 11,000 in 1919 to 16,000 in 1920 and 14,000 in 1921, dropping back again to 8000 as a result of business revival in 1922.

If we had data covering the movement for this last spring and summer, I feel confident that they would show an accelerated movement of workers and of population from city to farms. Even more striking, I think, would be figures on the movement to small villages and other rural communities, if they were available.

This trend probably will, as you indicate, accentuate the unemployment problem in the small communities. On the other hand, it undoubtedly simplifies the problem of food and shelter for many thousands of people, and makes it less difficult and expensive to care for them. In connection with the question of unemployment relief, now before the Legislature in special session, due attention will be given to the enlarged needs of these rural communities.

WE HAVE HAD various "back-to-the-land" movements, but we have seen along with them a steady and continued increase in urban population as compared to rural. There have been good reasons for it: in the constantly increasing efficiency of farming as an industry, and in the growth of agricultural surpluses which have constantly been forcing the less successful farmers to quit the soil and to take their chances in trade and industrial labor for hire. In the present situation of agriculture I think no one could seriously suggest that we need to take men out of industry to put them to farming.

But the question we need to exercise is whether we cannot plan a better distribution of our population as between the larger city and the smaller country com-

munities, without any attempt to increase or any thought of increasing the number of those who are engaged in farming as an industry. Is it not possible that we might devise methods by which the farmer's market may be brought closer to him, and the industrial worker be brought closer to his food supply? A farm and a rural home are not necessarily the same thing.

Conditions have changed since the rush of workers to the cities began. They have changed materially even since the war period. One of the most significant transformations is that wrought by the automobile, and the improvement in highways that has come along as a consequence. It is a familiar fact that distances have been tremendously shortened in terms of time, effort and expense. Communities once a day's journey apart have become close neighbors.

It is no longer necessary that an industrial worker should live in the shadow of the factory in which he works, and as a matter of fact many of them do not. Especially where factories are situated on the outskirts of cities or in smaller communities, the worker should have a wide range of choice for his home in terms of physical distance.

Industry, too, has been freed of many old restrictions as to location. It does not need to be located close to a water power, nor does it need, in most cases, to be near a fuel supply. High tension transmission of electric current has opened a new era in the transportation of power. The application of electric current to industrial uses has made other advancements. It is not necessary any longer to use power in large quantities or units to use it effectively. The typical factory of a generation ago had huge steam engines driving great line-shafts bolted to a multitude of machines. Today in the typical installation every machine unit has its own motor and can be placed where it can be used most effectively and conveniently in the process of manufacture. Enlargement of a factory often can be accomplished merely by adding new machine units. In many lines of manufacture small factories have become more feasible economically than before, and some large manufacturing institutions have found it advantageous to erect in scattered localities branch plants where a portion of their manufacturing processes are carried on.

TRANSPORTATION, too, has had its effect on factory locations. Railroad facilities have been extended and improved to the advantage of lesser centers of population and in New York we have the Barge Canal, which brings cheap heavy transportation to many communities across the entire state, in effect almost making them seaboard points. The automobile, the bus, and the automobile truck have become as important in the transportation of finished products and in some cases of materials as in the movement of workers. Huge vans of manufactured goods travel great distances from factory to market on the public highways. Communication time between factory and administrative offices, and between factory and market, likewise has been shortened by telephone improvement and extension.

All these circumstances seem to indicate that industry of its own volition is likely to seek decentralization. They point to the probability that we shall see more factories established in smaller communities and in agricultural regions, and fewer comparatively in the largest centers and in old manufacturing communities. Already there has been a trend in that direction. Factories have found it profitable to move from New England to the West and South, seeking to divorce themselves from conditions for which their own individual

management was partly but not exclusively to blame.

Industry has plainly been feeling its way toward something better in the way of factory location and what has been called for lack of a better term a "labor market"—an expression whose implication I detest, for the reason that it seems to ignore all human considerations. One of the difficulties of old-established industry today, I am convinced, is due to the fact that it has too often ignored social considerations, has failed to consider that success in industry must in the long run be built upon the coöperation of human beings, on terms which will give all workers a chance to live decently.

Certainly we want nothing more to do, if we can help it, with the factory town of the old type, with its miserable tenements and box-like company houses built in grimy rows on dirty streets—abodes of discouragement and misery—although I could point out examples of the sort in the Empire State.

There is no doubt that social considerations have had a large part in keeping workers in the cities. City life has had its advantages, as well as an attractiveness not based on any actual benefits. Our urban civilization is new enough not to have entirely outworn its lure and its novelty for a population that was once predominantly rural. But the advantages of city life today are less, comparatively, than they were ten years ago. And they will continue to grow less, for city conveniences are rapidly being brought to the country.

THERE ARE a hundred things that contribute to the comfort and practicability of rural living. There are electric lights and electric refrigeration. There are new methods of sanitation for rural homes. There are gas and electric cooking, and the operation of household power machinery. There is the rural delivery of mail, including the parcels post which puts housewives in close touch with distant shops. There are modern consolidated schools equipped to supply as good primary and high-school education as can be had in the city. There are rural parks which furnish better playgrounds than city people can enjoy. There are the radio and the rural moving-picture house showing the same films that the city workers enjoy. And the country has added advantages—space and freedom, contact with nature, and a chance to establish a permanent home.

A few months ago I had a rather extended conversation with a prominent citizen in one of the cities of western New York, who has been engaged in raising funds for the emergency employment of idle men and for other measures of relief. He quoted figures—staggering and dismaying figures—of the number of heads of families in that one city who were out of work and seeking earnestly for any kind of labor that would bring them in a little money to feed their dependents, but who had been compelled to list themselves on the rolls of those needing public relief.

"Suppose," I asked him, "one were to offer these men opportunity to go on the land, to provide a house and a few acres in the country and a little money and tools to put in small food crops—it was then early spring—what proportion of them do you think would accept such a proposition?"

"All of them," he replied promptly.

From one point of view the reply merely served to add emphasis to what had been told me of the urgency of the plight in which thousands of families in that city, and hundreds of thousands in the country at large, have found themselves. But I think there may be something more in it, and that its implications are worth serious consideration.

A White House secretary tells, by request, about an extensive though hurried vacation.

Airplanes and Sailfish

By LAWRENCE RICHEY

NOT HAVING HAD a vacation in many years, and it having been one of my dreams to see the Panama Canal at some time, I decided I had better try and do it this year. Therefore I had a friend work out a schedule for me. According to it I was to leave Washington on August 13 by steamer, and arrive at Panama August 21. Leaving there the 26th, I would be back in Washington on September 2.

This was more time than I felt I could spare. I discussed the matter with Commodore Jahncke, who said he thought it would be possible to fly to New Orleans in about a day, and Panama would be four days from there by steamer—altogether about a five and one-half day trip. Even this was a little more time than I thought I could spare. I called up another friend, and asked him what he thought he could do for me by airplane. He wanted to know when I wanted to go, and I told him just as soon as possible. He called me back and said that I could leave Washington on Thursday, August 13, at 11:40 A. M. by plane, arriving at Cristobal, Canal Zone, at 5 P. M. on Saturday. This sounded promising, and I told him to make reservations for me. I would leave on Thursday, as per his schedule.

On the appointed day I left Washington, from Hoover Airport, on an Eastern Airways plane. As I was ready to get on board Mr. Rafael Larco y Herrera, presidential nominee of Peru, came out to stretch his legs. At the airport I also met Mr. Dunning, our Collector of Customs at Savannah, Georgia. Since he had made the flight between Washington and Savannah a number of times he proceeded to explain all the points of interest on the way down.

After leaving Washington we flew over my Glymont Camp on the Potomac River, which I could see very distinctly, and I got quite a kick out of seeing the place for the first time from the air. . . .

At Miami they packed my luggage into a bus at the airport and we proceeded to the bay, where we went aboard one of the Pan-American Commodore airplanes.



© Underwood

At eleven we started for Panama.

About one o'clock we dropped into the bay at Cienfuegos, Cuba, where we dropped off some mail and refueled. Some of the officials told me that the revolution had been going on in Cienfuegos and that a few people had been killed there that day.

After thirty minutes' stop we left for Kingston, Jamaica. We were due there at five o'clock. But on account of the late start it was not possible to make it by that time, so just before dark we cruised around Port Antonio, a spot I was anxious to see and had made arrangements to motor to from Kingston had we reached there on time. At dark we were still flying, and about eight o'clock we were over Kingston, Jamaica, which was completely lighted up. We could see rockets being shot into the air, and finally saw one red rocket. Naturally our pilot kept away from that part of the bay. *Afterwards we found it was to warn us that there were several schooners there without lights. The pilot made a perfect landing in the bay at Kingston.

During the trip we had run around a few squalls, but the way the pilot and the co-pilot handled their ship

inspired absolute confidence. At no time was I nervous, nor did I have any feeling of uneasiness.

The evening was cool—a good breeze blowing. Went to bed about midnight. Was up at five o'clock. Had breakfast in my room, and then went down to walk around the grounds of the hotel, which was on the bay. Kingston is a beautiful spot, a place I am sure anyone would enjoy visiting. I was sorry I could not linger a little longer.

I reported to the plane at 5:45 in the morning, and at 6 o'clock took off for Barranquilla, Colombia. This was a hop of some five hundred odd miles over the sea before we were to see land again. The only passengers on this plane were the gentleman from Peru mentioned before, and myself. The Commodore, which is a 24-passenger airplane, was manned by a pilot, a co-pilot, radio operator and a steward. They do not serve meals on the plane, so in leaving in the morning it was arranged for us to take a box of lunch. In going across this long ocean hop it was interesting to see the different colors of the water and even to see flying fish. At no time did we come in sight of any other plane, steamship, or land until near Barranquilla. During this hop I slept comfortably for several hours.

We left Barranquilla shortly after one o'clock for Cristobal, Panama. This was another long sea hop. Just before reaching Cristobal we flew along the coast, and over the San Blas Islands. We could see native huts, made of thatch. About 5:45 P. M. we reached Cristobal. I was escorted to the Governor's scooter, his private car on the Panama Railroad, and we proceeded to Panama, on the Pacific side of the Canal Zone. We then proceeded to the Legation, where I was to stay during my visit in Panama, as the guest of Roy Davis, our minister.

Roy told me that since I had said I didn't want any formal functions while in Panama, and was there for fishing alone, he had arranged for me to leave at six o'clock Sunday morning on Bob Wilcox's houseboat, *The Rolling Stone*, for the Perlas Islands. Fred Whaler was to go along as our guide. So Sunday morning, at a quarter to five, I was up and with Roy proceeded to the dock and boarded *The Rolling Stone*. There I met Bob Wilcox and Fred Whaler. At six o'clock we started for the Perlas Islands. We had breakfast aboard, and after we were off Panama about five miles started to trawl with feather bait. We got several bonito and a dolphin.

ALL MORNING I was trawling for sailfish. Several times I was drowsy and almost went to sleep holding my rod, but didn't want to give up.

Just about this time I felt a tap at my bait. I released my brake to give it a free line, and let it run about 150 to 200 feet. Then threw on the brake and socked it to him. To my amazement, out came a giant sailfish. He broke water and tried to shake the hook from his mouth, and went under and made a long run; he took almost all my line. I yelled to Bob to turn the boat because the sailfish had practically all of my line. They turned the boat, but by this time I had control of the fish, and he surely put up a wonderful battle. He broke water nine times. Every time he did so I watched my line, and when I saw he was ready to break I would wait until he was clear out of the water, and then I would pull him back in. It seemed to throw him flat on the water, and no doubt had a tendency to take some of the fight out of him.

After forty-five minutes of terrific fighting I was able to bring him alongside the ship. It was necessary for two men to gaff him and a third man to put a loop of rope around his tail to lift him aboard. Needless to say,

I was proud of him. It was a great experience and a sight never to be forgotten. After he was safely on board I found that my arms, from my elbows down to my fingertips, were just about paralyzed. The veins were sticking out, showing the terrific strain I was under during the forty-five minute battle. Even my ankles were swollen from the severe strain in trying to keep my balance on this boat, as I was fishing from a houseboat and sitting in a canvas chair.

Everybody was delighted with my catch, and of course I was more than pleased, after I had traveled such a long distance, to hook my first giant sailfish on my first morning's fishing in Panama. This fish measured 10 feet 3 inches, and weighed 150 pounds. A navy work boat which had been near us, was going into Panama, and we sent the fish in to cold storage.

The next morning after breakfast we proceeded to the fishing grounds again, inasmuch as some of the other boys thought they might like to take their chance at catching a sailfish. We traveled around all morning, catching bonito, dolphin, mackerel, and several other varieties of fish. At about 11:30 I hooked another sailfish, and after an hour's battle—the fish breaking water twelve times—I brought him alongside the boat. It again took two men, each with a gaff, and a third man put a loop of a rope around his tail before we could bring him aboard. This one measured 10 feet 4 inches, and weighed 168 pounds. We continued traveling around, and another sailfish came up to one of our teasers. We were all anxious for Roy Davis to catch his first sailfish. So Roy fed his bait to the sailfish, let him run with it, and finally hooked him. The fish jumped three times. The third time Roy's line came in. The fish was gone, taking hook and leader. In making his jump the fish must have cut the line. I felt badly, as I was anxious for Roy to land one of these giant sailfish.

On Tuesday Colonel Schley called at the Legation for me, and took me to inspect the canal. We called on Governor Burgess, Admiral Irvin, and General Brown. Then we went up to view the locks. While there we saw the army transport *Chateau Thierry* coming through the locks, going from the Pacific to the Atlantic side on its way back to the States. I also watched the mechanical end of the locks with much interest.

Then we visited other points of interest in the Canal, and at noon had lunch with Governor and Mrs. Burgess. While at the Governor's house I was informed by telephone that they were going to have both sailfish taken out of cold storage, and a big tripod built so as to hang them up and have pictures taken. They wanted to know if I would not come to the cold storage plant at 3 o'clock. I did, and had the pictures taken—some with Roy Davis, Marshall Barrett, Fred Whaler, and other members of the party.

I WAS SO ENTHUSIASTIC about my flight down that I felt I would like to fly back instead of returning by steamer as I had previously arranged. I would have had to leave on Friday by steamer, whereas I could leave Sunday morning by plane and get home Wednesday. The steamer would not have gotten me home until the following Monday. So that afternoon I made up my mind definitely to fly back home.

Wednesday morning at 7 o'clock I left by plane with Bob Wilcox, Whaler, and Bucknell of the Legation, for Bocas del Toro. This is 190 miles north of Cristobal on the Atlantic side. We landed at Almirante, headquarters of the United Fruit plantations in that section. Mr. Adams, the manager, met us and took us to his home.

We sat around and visited a while, as he said there was no use fishing in the morning.

Had an early lunch and left the house, and from there went to a narrow gauge railroad, where we boarded a railroad car and proceeded to San San River, some 18 miles away. When we reached the end of the railroad line, we came to a tropical creek where they had four rowboats with outboard motors. We had to pole through the creek until we got out into the river. Then we started the motors and began to trawl for tarpon. This river is probably a half mile wide.

After trawling about an hour I hooked a tarpon. He broke water several times and put up a vicious fight. After about twenty minutes I brought him alongside the boat. He was half on his side. We had no gaff hook or anything in our boat with which to land him. So Fred Whaler put a wire on a large hook he happened to have in his tackle box and used that as a gaff.

SUNDAY MORNING I arose at 4.30. Had breakfast at the Legation, and left for the flying field at 5.30. Left Panama City in a tri-motor Ford about 7.15 A. M. Stopped at David, Panama, for gas and to drop some passengers. At 12.25 stopped at Managua, Nicaragua, where I was met by the American Minister, Mr. Hanna. He had sent me a radio that he would be waiting for me with a car.

We drove through the city, the greater part of which was destroyed by the earthquake and some thirty odd blocks destroyed by fire, which started in the old market. After driving through the city I stopped off at Minister Hanna's home, which was nothing more than a portable frame bungalow, and had a cup of coffee with Mrs. Hanna. She had been sick for a number of weeks with malaria, and this was her first day up. They told me they had lost everything in the earthquake—all the treasures which they had collected over a lifetime.

My entire stay here was about forty-five minutes. Then left for Lorenzo, Honduras. It was quite a sight to fly over the smoking volcanoes and crater lakes. At one time during this flight I was able to count fifteen smoking volcanoes. We were flying quite high, and therefore could see a long distance.

About four o'clock we dropped in to San Salvador, where I was to stay overnight. I was met at the airport by Mr. Finley, our charge d'affaires, and Mr. Davis, one of the State Department inspectors, and our American Consul. They took me to the Legation, where I freshened up and changed clothes. We then drove out to the Country Club. That evening had dinner at the Legation and stayed over night. Had a pleasant evening with Mr. and Mrs. Finley, Mr. and Mrs. Davis, and the American Consul.

We were up at 5 the next morning. Finley, Davis, and the Consul insisted upon seeing me off, so we drove to the airport. I left San Salvador in a Sikorsky amphibian at 6.30 for Havana. Our next stop was at Tela, Honduras. We ran into some rather sloppy weather flying over the mountains, and I think at one time we were over 10,000 feet up, and for over an hour we flew in the clouds. Now and then there would be an opening in them so that we could see earth beneath. But it was fascinating to be flying in these white clouds, which seemed to be rolling on and on. This continued for several hours. Finally we crossed the mountain, and had to drop down, as the ceiling was rather low. Arrived at Tela about 9.15 A. M., where we dropped one passenger and refueled.

Took off from Tela and our next stop was Belize, British Honduras. We were flying over water most of

the time along the coast. Refueled at Belize, and then took off for Gozumel Islands, Mexico, most of the flying being over water. It was really beautiful flying, and as we passed over some of the islands seeing the different colors of the water—turquoise blue and then emerald green with the white sandy bottom—it looked striking. Most of the islands were uninhabited.

We then left for Havana, Cuba. We ran into a head wind and some squalls, and when we reached the island of Cuba the pilot looked back and made a motion with his hand as if pulling a trigger of a pistol, and the radio operator at once went to his zipper bag and pulled out a .45 automatic Colt. He handed it to the pilot. The pilot put the .45 in his belt, and then started to make a landing on what looked like an emergency field.

I asked the radio operator what all this meant. He said we were short of gas, and would have to drop into one of their emergency fields to get some. The reason for the gun was that this was the hotbed of the revolution in Cuba, and that the pilot was not sure what he might run into.

He made a safe landing, and two Cuban soldiers came out, followed by the representative of the Pan-American Airways. There didn't seem to be any disturbance.

After the refueling and a little visit we pulled out for Havana. It was very pretty flying over Cuba—the palm trees and the sugar plantations made a lovely picture. We reached Havana about 6 P. M., where I was met by the Naval attaché of the Embassy. He said he was there to welcome me on behalf of the ambassador, and that Mr. Guggenheim would like me to come to his home and spend the night.

As I entered the door Mr. Guggenheim looked surprised to see me. He said they had just received a call from a reporter that my plane was forced down at San Julien and had been taken over by the revolutionary group. I told the Ambassador that this was not true, that we had stopped at San Julien for gas, but we didn't experience any difficulty while there; that the only people we saw were two Cuban soldiers, and the Pan-American employees. He said the reporter had called up and they were going to publish this story. I told him he had better kill the story because it was not true.

After dinner the Ambassador took me for a drive about Havana. Went to the Yacht Club, Country Club, and Tennis Club, and drove down to look over the new capital and the business section of the city.

Tuesday morning I was up early, and at 6.30 started for the flying field. At 7 we took off for Miami. While crossing over to Miami, I sent a radio to Mr. Dunten, manager of the Pan-American Airways at Miami, and told him that inasmuch as I had to spend most of the day in Miami I wished he would get up a fishing party.

At 9.30 we arrived at Miami. After clearing customs, Mr. Dunten called up and said he had arranged a fishing trip, and that we would go about one o'clock.

We fished off Miami during the afternoon, then went up to Ed Inglis' house and spent the evening until train time.

Wednesday morning arrived at Jacksonville at 7.30 and was met by the mayor and a group of other officials. They escorted me to the hotel where they gave me a breakfast and then they all took me to the flying field, from where I left for Washington at 8.29 A. M.

Stopped at Savannah, Charleston, Raleigh, and Richmond, where we changed planes. At Richmond I met Frank Hawks and his mother, who were coming up on the same plane with me. Boarded the plane for Washington, arriving home at 3.40 and going direct to the office—where I have been on the job ever since.



Walter Dill Scott
President of Northwestern University.

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AFFILIATIONS Expand the Scope of

Northwestern University

By WILLIAM A. DYCHE

AFFILIATIONS between universities and other organizations working for public welfare are of great value. This is especially true of institutions located in or near metropolitan centers, for there are concentrated numerous welfare agencies. The universities furnish to these agencies trained personnel. The agencies furnish to the universities laboratories for faculties and graduate students. It often happens that, due to the affiliation with a university, the financial condition of these agencies is strengthened, in that the public has greater confidence in them and contributes more largely to their support.

The location of Northwestern University, with its professional schools on the McKinlock Memorial Campus in Chicago, and its undergraduate departments in Evanston, eleven miles away, make a large number of such affiliations practical. This university has fifty-three such connections. Some of them are subject to partial control and close coöperation, while with others the relationship is purely advisory. Here are a few illustrations:

Two theological seminaries are located on the campus at Evanston. One is a Seminary of the Methodist Episcopal Church, the Garrett Biblical Institute. The other is of the Episcopal Church, the Western Theological Seminary. The students have the advantage of classroom work in the University, the use of its library and other privileges. Students of all three institutions are benefited by their social contacts, each group getting a broader view of life.

Among the trustees of the Western Theological Seminary are the Bishop of this Diocese, George Craig Stewart, and Mr. George A. McKinlock; both are also trustees of Northwestern University. Mr. Henry A. Wheeler, vice-president of the First National Bank of Chicago, formerly president of the Chamber of Commerce of the United States of America, and Mr. James E. MacMurray of the Acme Steel Company, are among the trustees of Garrett Biblical Institute.

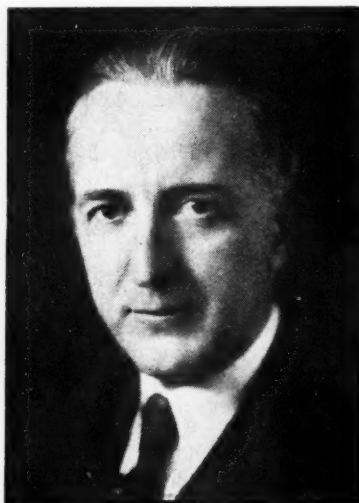
There are many privately endowed hospitals. Their medical staffs are usually selected by trustees who, though devoted to the welfare of their institutions,

have little or no knowledge of the qualifications essential for such work. Therefore many such hospitals are not giving the complete service to be desired. When a university with a strong medical school takes over a hospital of this type under articles of affiliation, great good follows. The trustees of the hospital retain financial management, but the university selects members of the staff and controls the administration in so far as it pertains to care of patients and medical research.

The benefits are marked. The staff is now a body of scientifically trained men; patients are better cared for; higher standards prevail. The hospital is accomplishing the purpose for which it was founded, and the university's medical school has an additional field for teaching and research. Thus both affiliates are strengthened in their work. But the greatest gain is for mankind, for, through hospitals working along these lines, considerable advance has been made in medical science, and it has only begun. It often happens that gifts to the endowment of the hospitals are secured because of such relationship.

Northwestern University has a number of hospital affiliations. I shall refer here to only two of them. Passavant Memorial Hospital, one of the most complete in the country, is located on the McKinlock Memorial Campus of the University in Chicago. The Evanston Hospital, the outstanding one on the North Shore, is located on a beautiful tract of ground in Evanston.

Recently Dr. Arthur I. Kendall, professor of bacteriology at Northwestern, made a remarkable discovery. His work was carried on in the laboratories of the Medical School of the University, in Passavant Mem-

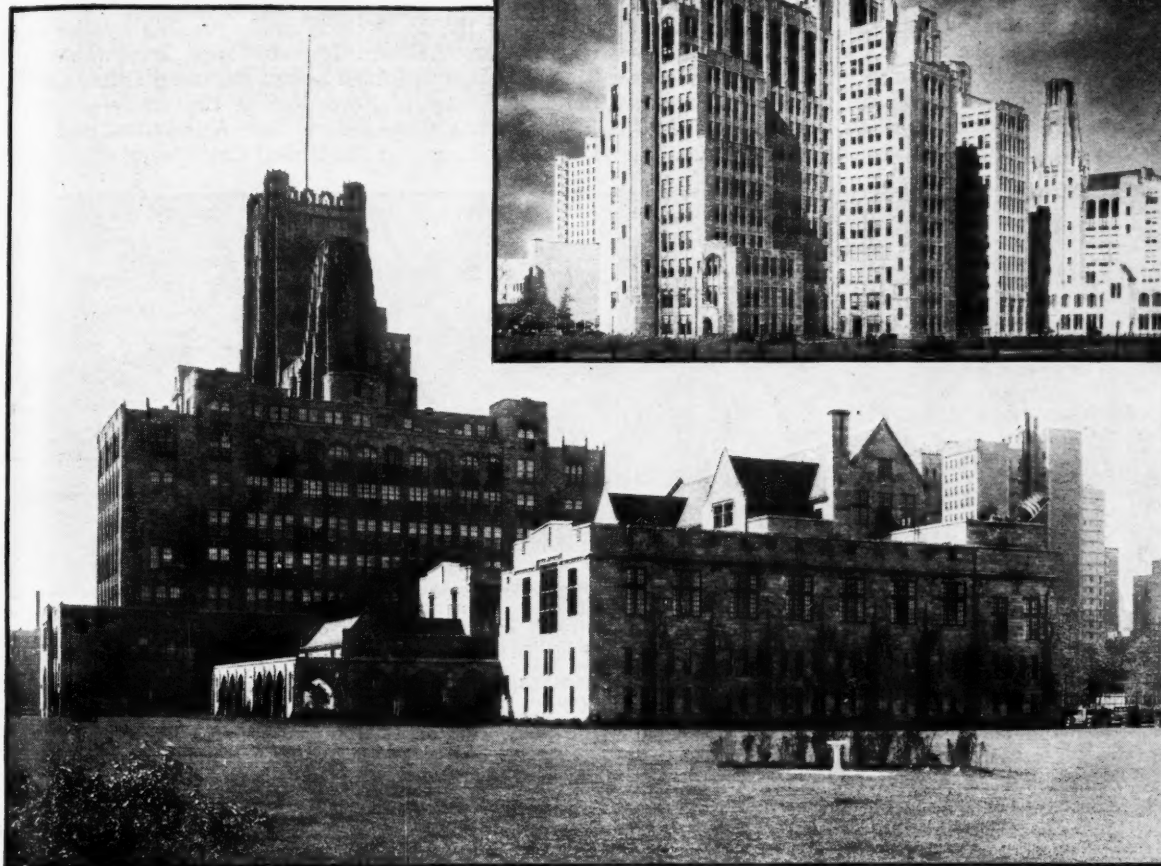


Blank & Stoller
Leon Green, Dean of Northwestern's Law School



E. L. Ray, Evanston
Ralph E. Heilmann, Dean of the School of Commerce

SKYSCRAPER architecture characterizes the professional schools of Northwestern University, rising on McKinlock Campus in the heart of Chicago. This central location makes possible the affiliations described in this article. The undergraduate departments of the University are in residential Evanston, eleven miles away.



Photograph from Ewing Galloway

orial Hospital and in the Evanston Hospital; thus these two institutions share in this benefit to mankind.

Briefly, the discovery comprises a new method by which bacteria can be filtered out and isolated. According to Dr. Kendall's colleagues at the University, this probably will open the way for a more thorough and exact knowledge of such diseases as influenza, rheumatism, infantile paralysis, and sleeping sickness. While the scientist's experiments so far have been limited, he postulated in the summary of his paper that a majority of known bacteria, if not all, are subject to this new method of isolation.

Dr. Irving S. Cutter, dean of the faculty of medicine at Northwestern, states: "This discovery is as startling to the scientific world as the discoveries of Pasteur."

Dr. Edward C. Rosenow, head of the bacteriology research division of the Mayo Clinic at Rochester, Minnesota, states: "Dr. Kendall has found a way to make old bacteria take on new form. That in itself is a great accomplishment for a lifetime. The future will show the greatness of his contribution to science."

Years ago, the late James A. Patten, then president of the board of trustees of Northwestern University, created an endowment for medical research. The income from this endowment has made possible Dr. Kendall's work. Mr. Patten was a large contributor to the endowment and building funds of the Evanston Hospital. Today his wife, Mrs. James A. Patten, is its most

active trustee. Words cannot tell the pleasure she has in the result of her husband's gift to Northwestern University, and that in part Dr. Kendall's discovery was due to the affiliation of the Evanston Hospital with Northwestern University.

Among the trustees of the Evanston Hospital are Mrs. James A. Patten; Mr. Harrison B. Riley, president of the Chicago Title and Trust Company; Mr. J. Horton Fall, of the Benjamin Electric Company; and Mr. Chester A. Cook. Among the trustees of Passavant Memorial Hospital are Mr. James R. Leavell, president of the Continental Illinois Bank and Trust Company; Mr. Eames MacVeagh, Mr. Russell H. Tyson, and Mr. Robert F. Carr.

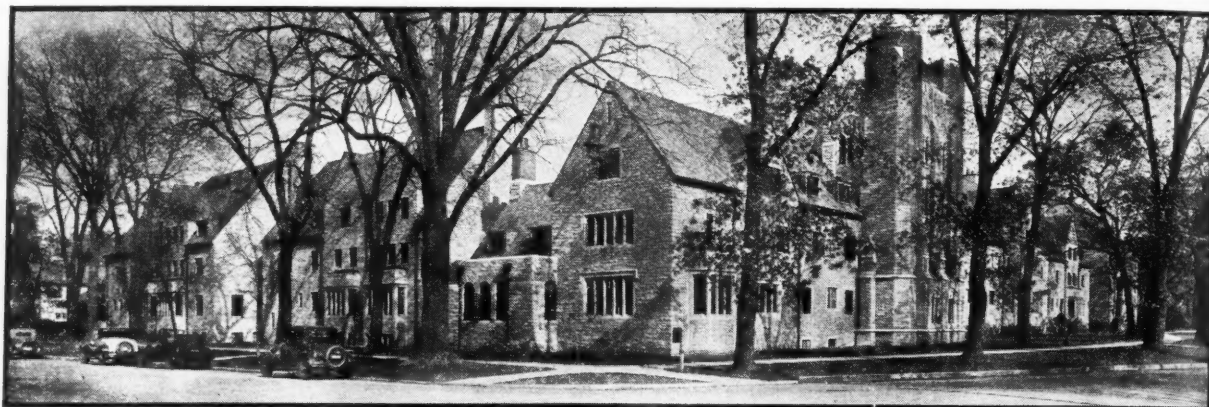
There are foundations established for research, as, for instance, in the field of economics. The opportunity for service here is unlimited. Governmental problems are studied; better methods of public administration are worked out; the relation of public utilities to the country is a subject for research; the complicated problem of taxation is investigated; the proper use of land, both urban and rural—one of the greatest economic problems of our country—is being given much needed attention. Notable results will follow these labors.

There are a number of organizations for work along these lines. They are started by men devoted to the cause. They have no endowment as a rule, and depend

for support on the large foundations, other public organizations and individuals. They cannot plan work more than a year or two ahead because their income is not assured. They receive no gifts for endowment, for donors fear they may not be permanent. When such an organization is affiliated with a university and the latter has control of its financial administration, its work is greatly strengthened. Contributions are made direct to the university for the use of the affiliated organization, and endowments may be given, the income to be used for the work of the affiliate. The donor knows that his gift will be for all time, for endowed universities are the longest lived institutions in the world.

Through this affiliation, students in increasing numbers are becoming interested in economic research. They are beginning to realize their duty as citizens. Many, after graduation, are assuming public responsibilities. The future of our democracy depends on intelligent men and women who realize their duty to their country.

Through the legal clinic made possible by the gift of Mrs. Anna Louise Raymond and known as the "James Nelson and Anna Louise Raymond Foundation," the Law School of Northwestern University—in conjunction with the Chicago Bar Association and the Legal Aid Bureau of the United Charities of Chicago—



NORTHWESTERN UNIVERSITY'S undergraduate departments enjoy the seclusion of suburban Evanston. Above are the tree-shaded women's dormitories and sorority houses.

© E. L. Fowler

The particular affiliation of this kind in which Northwestern University takes great interest is that of the Institute of Economic Research. Dr. Richard T. Ely, one of America's foremost economists, has given many years of his life to this Institute. His work has been productive of vast good. At the present time the Institute is giving much study to land—urban and rural. The use of our land is one of the important problems today. Work of the kind that this Institute is doing will mean much to the future of our country. New uses for land, both in cities and in country districts, must be found; more just methods of taxation must be established. These things will be accomplished if the work of the Institute is properly endowed, and if the continued leadership of men like Dr. Ely and his trustees is made possible. Among these trustees are men widely known—Dr. John H. Finley, of the *New York Times*; Dr. Albert Shaw, Editor of the *REVIEW OF REVIEWS*; Hon. Frank O. Lowden, Mr. Jesse Jones, Mr. W. S. Kies, Mr. Rufus Dawes, and Mr. William M. Chadbourne.

handles numerous civil and criminal cases in behalf of indigent persons. The school maintains an attorney for each of the civil, industrial, and criminal branches of the clinic under whose supervision approximately one hundred students do work in the clinic each year. In 1928 the total number of civil and industrial cases handled through these agencies was 21,618; in 1929, 23,050; in 1930, 26,105. The clinic both prosecutes and defends claims of indigent persons. In 1928, through industrial and civil cases, the total of \$82,563.53 was collected in behalf of such claimants; in 1929 the amount was \$127,049.59; in 1930, \$147,929.24.

The criminal clinic, until the establishment of the felony courts of Cook County, handled much of the defense work of indigent persons in the felony courts. Since the establishment of the Public Defender, the clinic still handles a great deal of such work which originates through the various charitable organizations in Chicago. The number of such cases handled each year is in excess of a thousand.

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While some business leaders denounce the dole, others are making it unnecessary.

A Job Instead of a Dole

By HERBERT COREY

From Public Utilities Fortnightly, August 20

NOT MANY THINGS are more important in industry today than the question of retiring aged employees on some form of pension. Every leader of business I have talked with or heard quoted admits that retirement pensions are inevitable. They may not regard them with enthusiasm. Neither do they love their dentists. They may say that workmen who demand that their employers go on paying them after they stop work are edging toward socialism. They may be bitter about the intellectual reactions of men and women who shoot their pay on radios and silk socks and have nothing left to fight the frost in sixty north. No matter:

"Pensions have come to stay," they will tell you. "No getting away from that fact."

Mr. Corey here discusses three systems of treating aging employees. The first is that of the Consolidated Gas Company of New York, which is engineered by Colonel John Stilwell.

The Consolidated Gas Company's idea is simply this:

"Old men are worth their pay as much as young men are. Our old men shall continue to get their pay until they are unfit. Not until then will we pay the retiring old man a pension. We will then pay him the pension we think he should have in order to live happy ever after."

This was shocking to me. Nothing short of shocking. I have been brought up on the idea that when a man is sixty years old society drowns him in the bucket. It is true that lawyers and bank presidents and doctors keep on going strong long after they are sixty, but industry has insisted that no man can handle a hammer or pull a lever to its entire satisfaction after he has reached this venerable age. Having been chewed up he is spit out:

"All nonsense," said Colonel Stilwell. "The Consolidated Gas Company can prove that its old men are just as valuable as its young men. We keep them in harness. Sometimes I think they are more valuable."

There is heresy for you. There is a deliberate flaunting of tradition. There is, one almost thinks, a modicum of common sense. Colonel Stilwell is not trying to instruct other companies or industries

in what to do with their old men. He only says that they come in mighty handy in the gas business.

"They may not be quite as noisy," he admits. . . . "They may not do as much work as the young men, but . . ."

Here is the stinger—

"They do not make as many mistakes. And the mistakes are what hurt."

The Consolidated Gas Company does not pretend to be so soft-hearted that it will keep old men on the active payroll when they have become unfit. But it often happens that just a little smoothing away of friction is needed. Sometimes the old man is transferred or his work is changed. The important point is that experience has proven that a man does not become unfit merely because he is sixty or sixty-five or seventy years old. One may be too old at twenty. His neighbor of seventy may have the heart of a boy.

"But does the plan pay?"

"You bet it pays," said Colonel Stilwell. . . . "We get our money's worth in work and happiness."

Once the men are retired the Consolidated Gas Company pays them in pensions whatever is needed to make their lives comfortable and happy. This is not to be taken literally, of course. If a pen-

sioner's idea of a comfortable life is an extravagant one he may be disappointed.

"Two men who have worked side by side for the same number of years, doing the same work at the same rate of pay, may be retired on the same day on widely different pensions. We take into account their domestic surroundings, their special relations, the planes on which they have lived. It would be throwing away money to give one man more than \$40 a month, for instance. Another would be acutely miserable on so small a sum.

"We do not penalize the man who has been thrifty all his life. If he has saved where his comrade has spent we do not deprive him of the pension to which he is entitled. Such a man is apt to need more in his latter years than does the man who has spent freely as a young man. His tastes are different.

"The retirement pay is made to fit the man instead of the job."

The author goes on to say that the sickness benefits and insurance protection of the Consolidated Gas Company are also generous. While no comparison can be made between costs of the gas company plan and one which retires workers on a fixed pension at a certain age—the second type of old-age plan—the gas company feels that its arrangement is satisfactory.

The average pension, according to Mr. James E. Kavanagh of the Metropolitan Life Insurance Company, is \$40 a month. That is not enough to keep a husky middle-aged gentleman idle and happy. If he gets board and room for a dollar a day—decent board and room—he gets a bargain. That leaves only \$10 each month for other necessities. . . .

Yet it will be conceded by most that the company which retires its superannuates on pension at sixty or sixty-five years of age has done its full duty by them. The presumption is that the pension is an addition to the other resources of the man who has been taken off duty. In fact, as every one knows, the pension is apt to be his sole reliance. The plan of retirement at a definite age, rigidly adhered to, has its advantages for the company. The cost line can be charted by any actuary for any period. The company is not compelled to make use of



By Brown, © New York Herald Tribune
EXPERT ADVICE

men who have passed the peak of usefulness. No mental effort is involved. No one is called on to adjust them to their jobs or to fit them into new places.

At sixty-five they get the air. . . .

THE THIRD PLAN is the one of which the American Telephone and Telegraph Company is the chief exemplar. The aging workman may be retired at sixty or sixty-five at the company's option. But now and then the company does not wish to retire such a man. He may be a pole climber extraordinary. He may be able to sit in a back office and think out financial problems. Perhaps he takes a twist of wire and a few glass tubes and works miracles. It would be silly waste to take such men away from their jobs; and the A. T. & T. is neither wasteful nor silly. But when the man is retired it is on a fixed rate.

And that rate is never sufficient to support that man in the style to which the A. T. & T. has accustomed him and the company knows it.

Therefore, he is urged to do a little something for himself.

Right here is where the A. T. & T. plan, and the plans of other companies which are made on the same model, diverge from the plans in which all is done for the workman. It is made plain to the workman, and "workman" is an elastic term that covers every employee from vice-president to lineman, that he need not save if he does not want to. No harsh words are used and there is never a suggestion that snowballs plus \$40 a month are not nutritious enough to fill the dietary needs of a man of sixty-five. No one says:

"The man who has gumption enough to save his money probably has gumption enough to hold his job permanently with the A. T. & T."

Stock buying is made easy for the employees. This plan is really unique. While employees pay for the stock through payroll deduction in small amounts over an extended period, as is the usual practice with most employee stock plans, telephone employees are buying shares which will not be issued until they complete their subscriptions. Under most company plans the stock purchased is stock which has already been issued and is repurchased by the company. The interesting point in this connection is that the employee subscriber is protected

against fluctuations in market price during the period of completing his subscription by a provision that gives him the privilege of canceling his subscription at any time while payments are still being made and receiving his money back with compound interest.

There are other protections for American Telephone and Telegraph employees. There are sickness, accident, and death benefits provided without cost to the employee, and life insurance which the employee may buy and pay for through regular deductions from pay. They are cared for in sickness in a generous way. . . . The effort is to protect the employee against the possibilities of misfortune during his active life, to provide him with an independence plus a pension

when he has retired, and to guard his wife after his death by life insurance obtainable at a reasonable cost.

The employee need not cooperate if he does not desire. But his cooperation is welcomed. He is not urged to do anything, for he is a free moral agent. But the profit possible is set before him in plain figures at intervals.

"The plan is worth all it costs us," said Mr. J. C. Koons, vice-president of the Chesapeake and Potomac Telephone Company. "We get a stable force of a higher quality than we could hope to get if our relations were merely those of the buyer of labor in the market and the man who sells us his hours. A large proportion of our employees accept the opportunities we offer them."

Bolshevism's New Policies

By JOSEPH STALIN

From
Izvestia, Moscow

Translated by the
Soviet Union Review

IT IS APPARENT that our industry presents a motley picture. There are branches of industry which during the past five months showed an increase in production of 40 to 50 per cent. as compared with last year. There are other branches which showed an increase not exceeding 20 or 30 per cent. Finally, there are separate branches of industry which showed a minimum increase, somewhere from 6 to 10 per cent. and even less. Coal and metal industries are among the latter. The picture is varied, as you see.

How are these variations to be explained? Wherein is the cause of the lagging of some branches? . . .

The cause for this lies in the fact that recently the conditions of industrial development have changed radically. A

new situation has been created which demands new methods of leadership and some of our industrial directors, instead of changing their methods of work, are still continuing to work as of old. . . .

What are these new conditions of industrial development? Where do they come from? There are at least six of these. Let us look into them.

Stalin first describes the necessity for a sufficient labor supply in industry. Formerly there was unemployment and starvation in the villages; and labor naturally flowed to big industries in the cities. Such conditions have been changed under the Soviet, and peasants are

AT THE COMMAND of Stalin, Russia has overthrown the fundamental tenet of communism—"from everyone according to his abilities, to everyone according to his needs." Henceforth there will be differentiation in wages, with greater skill rewarded by a greater wage. This and other startling changes are announced as temporary, pending gradual transformation of Russia's socialism into pure communism. They were presented by Stalin, the Soviet chief, in a speech before bolshevik industrial managers at Moscow.

now content to work on collective farms. A method of contracts for labor among industrial establishments, the collectives, and their members has been tried successfully in some places. This method must be used more extensively. Secondly, the most difficult labor processes must be mechanized. Stalin continues:

To secure workers is not the whole problem. In order to provide our enterprises with labor power it is necessary to attach the workers to the enterprises and to create a more or less permanent staff for each enterprise. It is hardly necessary to prove that without a permanent staff of workers who have to some extent mastered the technique of production and have become accustomed to the new machines it is impossible to make progress. Without a permanent staff it would be necessary each time to begin anew the training of workers and thus waste much valuable time which could otherwise be used for production.

What is the actual situation now? Can it be said that the staff of workers of industrial enterprises is more or less permanent? No, unfortunately, we cannot say that. On the contrary, we still have the so-called shifting of labor in our enterprises. More than that, in a number of enterprises the labor turnover is not only not disappearing but, on the contrary, is growing and increasing. . . .

Wherein lies the cause of this?

THE PEOPLE of Soviet Russia have a fresh interest and a new ambition: the fulfillment of the six points of Stalin's recent speech calling for "new methods of work and leadership." Summaries of the speech in big plain letters are hung over factory gates, and workmen crowd around to spell them out. The six points, as recited by an ardent and deeply moved young Muscovite, take on the color of the Ten Commandments; and one is no longer startled when enterprises which balk at paying piece rates in the new manner are ridiculed in the press as heretics.

A year ago it was the Five-Year Plan which was the driving force. . . . All that has changed. The Plan has suffered an eclipse, and the Speech—the capital is merited—has, literally, replaced it.

—Alzada Comstock, Professor of Economics at Mount Holyoke College, in "Barron's"

In the incorrect organization of wages, in an incorrect wage-scale system, in a "leftist" equalization of wages. In a number of enterprises our wage scales are so arranged that the difference between skilled and unskilled labor, between hard and easy labor, has practically disappeared. The result of equalizing wages is that the unskilled worker shows no interest in becoming skilled, and is thus deprived of prospects of promotion. Hence, he considers himself merely a visitor at the factory, who is working just long enough to "save up" a little and then go to some other place "in search of luck." This equalization of wage leads the skilled worker to travel from enterprise to enterprise in order to find finally a place where skilled labor is properly valued.

Hence the "universal" shifting from enterprise to enterprise, the high turnover of labor.

In order to do away with this evil it is necessary to abolish equality of wages and the old wage scales. In order to do away with this evil it is necessary to organize a system of wage scales which would take into account the difference between skilled labor and unskilled labor, between hard labor and easy labor. We cannot tolerate a situation where the skilled worker should receive the same wages as the floor sweeper. We cannot tolerate a situation where a locomotive engineer should get only the same wages as a copyist. Marx and Lenin say that the difference between skilled labor and unskilled labor will exist even under socialism, even after the destruction of classes, that only under communism must this difference disappear, hence that wages even under socialism must be paid according to work performed and not according to need. But our "equalizers" among the industrial directors and trade unionists do not agree with this and assume that this difference has already disappeared under our Soviet system. Who is right, Marx and Lenin or the "equalizers"?

But this is not all.

In order to keep workers from shifting about, still further improvements in the commodity supply and living conditions must be made.... The worker of today, our Soviet worker, wishes to live so that all his material and cultural needs are taken care of, in the sense of food supply, living quarters, and other needs. That is his right, and it is our duty to guarantee these conditions to him....

And so the problem is to stop the labor turnover and to do away with equalization of wages, to organize wage scales correctly, to improve the living conditions of the worker....

IT IS NECESSARY to organize work in our industrial enterprises in such a manner that productivity should arise from month to month, from quarter to quarter.

Can it be said that the existing organization of work in our industrial establishments meets the present demands of production? Unfortunately, this cannot be said. At any rate, we still have a number of enterprises where the organization of work is very poor; where instead of order and correlation of work

Here is a list of important articles

In the Month's Magazines

From August 14 to September 12

UNEMPLOYMENT

Down and Out in Detroit, by Charles R. Walker. FORUM, September. A study of industrial conditions in Detroit, with the conclusion that industry must be revised.

Helping the Man and the City, Too, by William H. Book. NATION'S BUSINESS, September. Indianapolis provides her unemployed with jobs improving the city, instead of a dole.

That Terrible British Dole. THE NATION, September 9. The dole, which is said to destroy men's ambition, amounts to \$7.20 a week for the entire support of a family of four.

The Church and Social Justice, by Roderick MacEachen. THE ATLANTIC MONTHLY, September. Injustice to working men in America today.

Some Economic Implications of Unemployment Insurance, by Dale Yoder. QUARTERLY JOURNAL OF ECONOMICS, August. The only workable unemployment insurance involves direct government subsidies to workers.

Embattled Miners, by Winifred L. Chappell. THE CHRISTIAN CENTURY, August 19. If the present unequal struggle between miners and owners fails, a new and bitter fight will break out in the coal fields.

Would the Soviet Plan Help Us? by William Caryl Cornwell. THE FINANCIAL WORLD, September 2. A body of business men might control industrial operations in such a way that economic disasters as the present one would be avoided.

A Job Instead of a Dole, by Herbert Corey. PUBLIC UTILITIES FORTNIGHTLY, August 20. Quoted on page 71.

BUSINESS

Natural Gasoline from Oil Wells, by G. Ross Robertson. SCIENTIFIC AMERICAN, September. A California professor tells an interesting story of a new industry.

Benguela Railway. FORTUNE, September. Completed in July, this line brings from Africa a threat to American copper supremacy.

Chicago Banks. FORTUNE, September. The story of the sensational absorption of the Foreman-State National Bank by the First National.

Ivory: Scourge of Africa, by Ernst D. Moore. ASIA, September. The history of Zanzibar reeks with the bloody trade in slaves and ivory.

A Decade of Railroad History, by Nelson Lee Smith. CURRENT HISTORY, September. A detailed history of rail problems since the end of governmental control in March, 1920.

Graft in Business, by John T. Flinn. THE NEW REPUBLIC, August 19. Bonuses and corporation juggling are forms of respectable dishonesty in big business today.

Soviet Policy—the 1931 Revision, by Alzada Comstock. BARRON'S, August 24. Quoted on page 72.

gust 24. Quoted on page 72.

Why Germany's Distress Affected the World, by Theodore M. Knappen. MAGAZINE OF WALL STREET, August 22. Reparations and resulting unwise financing have brought the nations into a vicious circle.

Causes of the German Financial Crisis, by Sydney B. Fay. CURRENT HISTORY, September. Careful consideration of all factors contributing to the financial collapse of the Reich.

The Irish Prove Their Sanity, by John Moody. THE COMMONWEAL, September 2. Ireland shows greater financial wisdom than her dominion sister, Australia.

Practices that Imperil the Pathways of the Utilities, by F. J. Lisman. PUBLIC UTILITIES FORTNIGHTLY, September 3. In order to protect their credit, public utilities must enforce the highest business standards on all who enter the business.

How to Give Your Town Factory Appeal, by J. S. Blue. NATION'S BUSINESS, September. To attract new industries a town must offer aesthetic as well as material advantages.

Our Next Job Is to Learn to Sell, by Edward S. Jordan, president, the Jordan Motor Company. NATION'S BUSINESS, September. Selling methods must catch up with production methods which made the United States what they were before the crash.

TARIFF AND DEBTS

Free Trade and the United States, by Henry Raymond Mussey. THE NATION, September 9. If Americans want peace and prosperity at home and abroad, they can have it by adopting a liberal trade policy.

The Tariff and Social Control, by Ralph E. Flanders. THE ATLANTIC MONTHLY, September. English experience refutes the increasingly popular theory that the United States must lower the tariff, reduce wages, and seek prosperity in markets abroad.

Synthetic Gold, by Glowacki R. Parker. NORTH AMERICAN REVIEW, September. Schemes to make money by tariffs or other political means resemble the alchemists' attempt to make gold from baser metals.

Strictly Business, by Phelps Adams. NORTH AMERICAN REVIEW, September. The Hoover moratorium was not a sudden burst of generosity, but a consistent part of America's handling of debts and reparations with an eye to financial realities.

Is There Necessity for Cancellation? by B. K. Sandwell. BARRON'S, August 31. If France and America insist on payment of war debts, they will have to accept goods, not gold.

That International Millstone, by George B. Auld. THE ATLANTIC MONTHLY, September. The United States alone has power to liquidate

Continued on page 77

we have disorder and confusion; where instead of individual responsibility for work and equipment there is a complete reign of irresponsibility. . . .

How was it possible for this irresponsibility to establish itself in a number of enterprises? It crept into our enterprises as an illegitimate companion of the continuous work week. It would, however, be incorrect to say that the continuous working week inevitably leads to irresponsibility in production. . . .

There are two ways of correcting this situation. Either we must change the method of applying the continuous work

attain the organization of a real continuous work week? . . .

Thus our problem is to liquidate irresponsibility, improve organization of work and properly distribute forces in our enterprises.

THE SITUATION has also changed with reference to the managerial staff of industry in general, and with relation to the engineering and technical personnel in particular.

We can no longer get along with that minimum of engineering, technical, and managerial personnel in industry which

factory, the shop, and the mine. . . .

Among these comrades there are quite a few non-party members. But this should not serve as a barrier to their quick promotion to leading positions. On the contrary, these very non-party comrades should be surrounded with particular attention. They should be promoted to managerial positions so that they may become convinced that the party knows how to value capable and talented workers. Some comrades think that only party comrades should be advanced to the leading positions in factories and mills. On the basis of this they very often shove aside capable non-party comrades with initiative and promote party members to the leading posts, although the latter are less capable and show less initiative. Needless to say, nothing could be more foolish and reactionary than such a "policy." It is hardly necessary to prove that such a "policy" only discredits the party and turns non-party workers from the party. Our policy is not to transform the party into a closed caste. Our policy is to see to it that an atmosphere of mutual trust, an atmosphere of mutual "checking up" (Lenin), should exist between party and non-party members. It is due precisely to this policy that the party is so strong among the working class.

To attain a situation wherein the working class of the U.S.S.R. will have its own industrial and technical intelligentsia, that is our task.

THERE IS ALSO a new situation with regard to our attitude toward the old bourgeois engineers and technical intelligentsia.

Two years ago the situation with us was such that the most skilled section of the old technical intelligentsia was infected with the disease of damaging. Furthermore, damaging became at the time a sort of fashion. . . . So it was two years ago. Can it be said that we have such a situation now? No, that cannot be said.

It is understandable that the new circumstances could not remain without effect on our old technical intelligentsia. The new conditions could not but create and actually have created a new mood among our old intelligentsia. This also is the explanation of the fact that we have definite signs of change in a certain section of the intelligentsia formerly sympathizing with the damaging activities against the Soviet Government. The fact that not only this section of the old intelligentsia, but even a definite, a considerable section of the actual damages of yesterday have started to work in a number of shops and factories side by side with the working class—this attests incontrovertibly the fact that the change has already commenced among the old technical intelligentsia. This does not mean, of course, that there are no more damagers. No, it does not mean that. There are and will be damagers as long as we still have classes, as long as capitalism still exists. But it means that in so far as considerable sections of the old technical intelligentsia who in one way or another sympathized formerly with the damagers, have now turned toward



MAY DAY IN MOSCOW

A group of tank drivers of the Red Army during the parade at the Red Square.

week so that it will not be distorted, just as was done with regard to transport; or, where conditions are not conducive to such an experiment, to throw out entirely the "paper" continuous work week, and adopt temporarily a six-day week with one rest day, as was done recently in the Stalingrad tractor plant, and then to prepare the ground for returning later to a real continuous work week, to a continuous work week without irresponsibility. There are no other solutions.

There can be no doubt that our industrial directors understand all this very well. Yet they keep quiet. Why? Apparently because they are afraid of the truth. But since when have bolsheviks begun to fear the truth? Is it not true that in a number of shops the continuous work week has brought with it irresponsibility, that the continuous work week has been perverted to the highest degree? The question is, who needs such a continuous work week? Who would be prepared to place the interests of maintaining this continuous work week, perverted or on paper, above the interests of a proper organization of labor, above the interests of increased productivity of labor, of a real continuous work week, of our socialized industry? Is it not clear that the quicker we bury this continuous work week on paper, the sooner we will

sufficed hitherto. We must provide our industry with a technical, engineering and managerial personnel that is three times, five times, greater than before, if we really intend to fulfill the program of socialist industrialization of the U. S. S. R. But we do not need just any kind of engineers and technicians. We need industrial leaders, engineers and technicians capable of understanding the policy of the working class of our country, capable of making this policy their own and ready to carry it into reality.

What does this mean? This means that our country has entered that phase of its development when the working class must create for itself its own industrial and technical intelligentsia, able to defend its interests in industry as the interests of the ruling class. . . . There is no doubt that we will soon get from our higher institutions of learning thousands of new technicians and engineers, new directors for our industry.

But that is only one side of it. The other side is that the engineering and technical intelligentsia of the working class will be formed not only from people who have gone through the higher schools—they will also be recruited from the practical workers of our enterprises, from the skilled workers, from the cultural forces of the working class at the

the Soviet Government—the remaining active damagers are few in number and isolated, and will soon have to disappear.

It follows from this that we must change our policy with regard to the old technical intelligentsia accordingly.

Stalin next discusses the sources of capital for industry. He says that gigantic enterprises have been started with money derived from light industry, agriculture, and budgetary receipts. But these sources are not inexhaustible. Heavy industry must now contribute its

share, so that the rate of accumulation may be increased. This can be accomplished only by reducing costs and eliminating mismanagement. One way to do this is to break up the present huge organizations, sometimes including as many as 200 factories, says Stalin, in order to keep responsible managers in close touch with their factories. He continues:

It is further essential to development that our industrial concerns should pass from collegium to individual management. As matters stand now, ten or fif-

teen people sit on the collegiums writing papers and carrying on discussions. To continue to manage industry in this way is not possible, comrades. It is time to put a stop to paper leadership and get down to real businesslike bolshevist work. Let the chairman and a few assistants remain at the head of the combinations. This will be quite enough to manage the work. The best thing for the other members of the collegium would be to go down into the shops and factories. This would be more useful both for themselves and for the party.

Bolshevism Prepares for War

ANONYMOUS

From the Revue des Deux Mondes, Paris

THE SOVIET PRESS, in accord with the Communist Third Internationale, continually denounces to "the proletarian opinion of the world" the danger of armed intervention, prepared especially by "militaristic and imperialistic France," and directed against "the countries of the laboring masses." But at the very moment when the Soviet directors are accusing France of bellicose designs, do they give an example of peaceful intentions and a policy of disarmament? Is not on the contrary the goal on which they concentrate their efforts the militarization of Russia and the launching of a war which would be the prelude of universal revolution?

If certain European pacifists still doubt the Soviet will to war, if they do not discern the militaristic spirit where it really exists, they have only to read in the Bolshevik press the account of the proletarian festival, called the festival of peace and work, which was celebrated in Moscow last May 1. This "festival of peace," exclusively military, was moreover an act of defiance officially directed against capitalist countries, and in the presence of accredited representatives of these countries. The mob, excited by an intense propaganda, brandished before the ambassadors and ministers of the Powers effigies which grossly ridiculed certain principal statesmen of these Powers. And the Soviet Government did not hesitate to declare, through the voice of War Minister Vorochilof, the goal it is pursuing. By sufficiently clear allusions he designated the adversaries against whom the "decisive blows" of the "peasant and workers' army" were to be directed, while these gentlemen of the diplomatic corps were invited to contemplate their fine order, to admire their perfect training in the course of the gaudy parade which rolled past the Red Square of Moscow. . . . But let *Izvestia* (a Communist journal) speak:

"The cavalry and infantry in regular formation—soldiers marvelously trained and provided with the best and most modern automatic arms—alternated with the immense army, no less well trained, of the students of the *Ossoaviochim*; of

Communist youth; and of Boy Scouts. . . . It was the review of military forces belonging to three generations—generations full of enthusiasm, aware of the direction in which blows are to be aimed. When the ranks had passed by, the noise of motors was heard in the distance, and there appeared little tanks, like gray beetles. An interminable line of steel-plated cars followed, then great tanks, cannon mounted on tractors. In the sky flew scores of airplanes." . . .

This procession of May 1 lasted no less than six hours in Moscow, five in Leningrad. . . . *Izvestia* shows the true significance of these demonstrations. "The effort to industrialize the country has found its most brilliant expression in the review of the Red Army. In contemplating these impressive processions, our enemies have been able to say to themselves: 'The Soviet Union will defend her frontiers with soldiers who not only know why they are fighting, but who are also armed, equipped, and trained in the most modern technique.'" . . . And the young soldiers of the Red army are exhorted to play their part in "the imminent struggle between capitalism and socialism, and to fight for victory in the world revolution." . . .

THE MOST AMAZING and disturbing thing is that these parades which are so clearly provocative, and their menacing commentaries, have caused no reaction in the countries against which they are aimed—neither among their political leaders nor in public opinion. The U. S. S. R. can develop her military power, increase her armament, provide her troops with the most abundant and modern material. No officially qualified voice is raised in the world to accuse her of not disarming, of nourishing imperialist conceptions and of preparing for war. . . . The Soviet press does not hesitate to support the bold thesis that if the Soviets are arming it is in self-defense, and that the capitalist and bourgeois states are forcing them to it by their threats. . . .

Not only the army of Soviet Russia is prepared for war. The entire population

undergoes methodical training. Between sunset and sunrise the regular army could be reinforced by civil formations which have received intensive military preparation. . . . The *Komsomols* (Communist youth) whose number has just reached five million, constitute the strongest part of this civil army. They are armed and constantly on the alert. . . . It is their principle "that there is no place in the ranks of the Communist youth for those who do not undergo daily military training." . . .

For several years military elements proceeding from schools of different ranks have been added to the *Komsomols*. Since 1928 military instruction has been introduced into high schools and technical schools. Since 1930 this instruction has been obligatory for students of high schools and secondary schools. . . .

At present it is a question of militarizing the Communist Academy with all its branches: philosophical, economic, agrarian institutes of "socialist construction," institutes of world economy, history, and literature. . . . "All plans for study and scholarly work should be militarized, and the pupils of each institute should study military art." Here is the program of studies proposed for these "scientific" institutes: principles of organization of the armed forces of the U. S. S. R. and of capitalist countries; general tactics; utilization of different arms; modern theoretical means of warfare and their application to combat; principles of strategy; mobilization; political action in time of war.

Moreover, the general militarization of the Russian proletarian masses is pursued relentlessly. A vast association, which will soon number twenty-two million adherents and which has branches over the whole country, is devoted to this purpose. This is the *Ossoaviochim* of which we have spoken above. It directs the military instruction of the civil population; organizes shooting-grounds and practice; air maneuvers, sham attacks by poison gas; prepares for defense against air raids; promotes subscriptions called "voluntary" which are

destined to furnish the necessary funds to promote aviation studies the use of chemical products available for war. At its instigation houses called houses of defense have been built. In reality they will be barracks for civil use. . . .

In the instruction given to the *Komso-mols*, the workers and young students, propaganda plays a very important rôle, almost equal to that of military preparation in the strict sense of the word. The regular army itself is submitted to this propaganda, which is destined to fanaticize it, and whose organization includes a whole special press which has more than a million issues. The military paper *Na Straje* alone prints 450,000 copies. . . .

Last year the U. S. S. R. occupied second place in the world for the number of airplanes and airplane factories and specialized pilots; by continuing in the same stride it will carry off first place within two years. A whole army of technicians, as many Russians as for-

eigners, fatly paid, is occupied with studying and building new models for apparatus. And—an important fact to note—by an inconceivable aberration the *Reichswehr* and German industry lend their support to this development of the air power of Soviet Russia. . . .

It would be a grave error to believe that the goal of the Five-Year Plan is solely economic. If the Soviets have undertaken the excessive industrialization of Russia, it is in order to assure her, on every occasion, all the war material she will need and to enable her to manufacture it herself. . . .

The Soviets are feverishly manufacturing tractors, to such a point that Russia ranks second in the world in this product. . . . Why this intense production? Because tractors which in time of peace appear under the inoffensive form of agricultural machines, can in time of war be metamorphosed very easily into vehicles for offensives, carriages for cannon, etc. . . .

Bristling with bayonets, transformed into a vast camp, Soviet Russia is spying out the favorable moment to realize her projects of aggression. Her directors follow with passionate attention the economic crisis which is desolating the world and which they seek to aggravate by all possible means. . . . The crisis, the world-wide unrest, are envisaged by the Soviets as events from which may arise world revolution. The spark which would determine the explosion is still lacking. This spark can only be war. . . .

Will the occidental states continue to let themselves be deceived by the Soviets, for whom anti-militarism is an export commodity while at home they are armed to the teeth and preparing for war? If they refuse to understand the clear signs which are accumulating to show them the real and impending danger which menaces them and which grows each day, they will themselves, by their criminal indifference, have been the authors of a catastrophe.

The American Distrust of Cities

By WALTER LIPPMANN

From the *Woman's Home Companion*, September

IT IS IMPOSSIBLE not to be ashamed of the governments of New York, Chicago, and Philadelphia, to name only the three largest. One may point to great public works which they have carried through; one may argue that they are kindly; one may find charitable excuses for the waste and favoritism and corruption which pervade them; one can name honorable and able officials; but there is no denying that, by and large, the municipal standard of intelligence and integrity is low. For it is still as true today, I suppose, as it was forty years ago when Lord Bryce said it, that "there is no denying that the government of cities is the one conspicuous failure of the United States. . . ."

In searching for a satisfactory reason Mr. Lippmann starts with the fact that the abler politicians are attracted to state and federal offices. It is more difficult to be mayor of a city like New York than to govern New York state; but no governor, his office having expired, would run for mayor. The successful politician is expected to rise from city to state to federal office. Mr. Lippmann continues:

All this is in part due to our American faith in competition by mere size and to our confusion of the biggest with the best. But it is due also to other causes, among them the subtle and pervasive fact that the underlying cultural tradition of America, the ideas put forth from our pulpits, assumed in our political orations, in our literature and our school-books, is profoundly antagonistic to cities. We have never governed cities well because we are deeply suspicious of their very existence. We have never in our hearts accepted them and cherished them. That is a historical curi-

osity. The great cities of the world, Athens, Rome, Alexandria, Florence, Venice, Paris, London, Vienna, and the provincial cities as well, have been looked upon by all the inhabitants of their regions as centers of civilized life. The American tradition is quite the opposite. . . .

When we seek to explain the failure of city government we must begin by realizing that the highest American tradition embodies a downright distrust of cities. It has never been possible, therefore, for Americans to arrive at any working philosophy of city government which exalts its purposes and enlists their finest energies. The cities have not drawn upon the purest patriotism because the purest patriotism has despised the cities.

Nevertheless cities have grown huge. For while American sentiment has frowned upon them, American national policy and American practical inventiveness and American money-making abilities have all been united to cultivate the rapid growth of cities. The tariff has been a great city-builder by putting an ever higher premium upon goods that are made in cities. Modern inventions of all kinds have made it possible and alluring to move into the city. Speculation in real estate has produced in every town a powerful interest in favor of bigger and, only incidentally, of better towns. There is no need to labor the familiar details. For a hundred and fifty years, while we have maintained our ideal of a rural society, we have been busily creating the most extensive urban society in the world. . . . If, as Jefferson said, the proportion of urban to rural population is "a good enough barometer to measure" the "degree of corruption"

in a nation, then by his standards the United States is between seventy-five and eighty per cent corrupt.

Unless we are to accept this damning measure of ourselves, we shall have to change Jefferson's barometer. For while a balance of city and country is desirable and worth maintaining with every resource of statesmanship, we shall have to stop thinking that cities are social diseases. We shall have to learn to regard them as genuine centers of our civilization. That implies a much more profound reversal of attitude than may at first appear. For even when we Americans have accepted cities as indisputable facts and have tried to make the best of them we have never, I think, understood what they mean. Our American reform movements have tinkered with the machinery or aligned themselves against grafters: we have thought of good municipal government as honest prosaic administration little concerned with really important things.

The true view of cities, I think, is to regard them as places where the activities of the whole nation come to a head. New York and Chicago and Kansas City were not created by their present inhabitants but by the American people in the course of two hundred and fifty years of working and living and legislating. They are not islands, without bridges to the mainland, to that "real America" which we are often told lies beyond the city limits. The sidewalks of New York are as American in their origin as the farms of Kansas. For even the newest immigrant on those sidewalks is there because American opportunities have drawn him from Europe and American institutions and laws have opened the gates for him.

To say that city government is a difficult problem is to say that American civilization is a difficult problem. There is no way to separate the cities from the nation. Upon the cities are concentrated the extreme consequences, the concrete results, of that revolution in the manner of men's life which modern science is working. They have grown at furious speed because railroads and steam and machinery draw people together into crowds for the production of wealth. Because people are drawn together they are confronted with the problem of living together. The problem of city government is simply the problem of living together in great masses....

The larger American cities have had imposed upon them a task which is peculiarly American. They are the crucibles in which the newer immigrants from Europe are merged in the American nation. For more than a hundred years the American people chose to grow not merely by the multiplication of their own stock but also by the addition of adults from the Continent of Europe. A new nationality is being created on American soil, European in its origin but American in its character. It has been a stupendous historical process and we are still in the midst of it. The American cities, as the places where the newer immigration first assembled, have been the chief instruments in this task of building an American nation. Thus, while London is a city of British people, Paris a city of Frenchmen, Rome a city of Italians, New York, Boston and Chicago are cities not of an established nationality but of a nationality in the making.

In considering how badly they are governed it is only fair to remember how

stupendously difficult is their problem of government. The government of cities is the most original and least understood undertaking in the whole sphere of government. It is concerned with every bewilderment that the modern age presents, with the problem of comfort and health in a machine age, of serenity in the midst of gigantic energies, of tolerance and understanding in great mixtures of people, of education on a scale never dreamed of in other times, of discipline without the use of physical force or the help of custom. The problems of the state governments and of the national government are difficult enough. I do not wish to minimize them nor to deny that failures in them may be more momentous than the failure of a city government. But intellectually they are simpler. I believe that it is easier to be a great President than to be a great mayor.

Our underlying traditional disbelief in the cities and our stereotyped notion that municipal office is the lowest order of political life have falsified our whole conception of municipal government. We are wrong in believing that to move from mayor to governor to senator is the only way to move upward in honor and responsibility. Until we cease to take this view, the burden of municipal office will be so out of line with its rewards in prestige that only the third and fourth-raters will devote themselves to it. They will be content with the pickings it affords them, while the public, expecting little of its cities, will take misgovernment for granted, as something like the smoke that has darkened the sky over them so long that they have forgotten it can be clear and clean.

The Lost Generation

By CHRISTIAN GAUSS

From the Forum, September

BUSINESS HAS COME to be so important a consumer of the product of the colleges that most of them have established bureaus of personnel or employment whose purpose is to help sift and place their graduates in the great commercial organizations. Anyone who during the last six months has talked with the directors of these employment agencies or placement bureaus has heard the same dismal story. In ordinary years, they will tell you, representatives of the great key industries of the country come to see them and eagerly lay before them the needs of their organizations. The college personnel officer then sifts out the young men in the graduating class and arranges the necessary interviews.

This year the representatives of the great business organizations have not been coming to the college offices looking for men. Many of them have been compelled to lay off experienced employees; others have had to reduce the hours of labor and are running on part

time. One of the country's largest banks which of recent years had annually been taking on 80 college graduates will this year take less than a dozen. A great electrical company that was taking on from 250 to 400 can make room this year for only about 15. A great public utility corporation that took between 200 and 300 has also been forced this year to cut down to less than 20.

This has resulted in a situation that looks for all the world like an overproduction of college graduates. While competition for the abler men in the graduating classes has, of recent years, been unusually keen, this year almost any organization that can possibly find a place on its rolls for highly capable and promising young men can pick them up practically without competition.

There is a buyer's market for college graduates. A few companies with large financial reserves and confidence in the future are taking advantage of this. They are investing in promising young men. The number of these organizations

In the Month's Magazines

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the War by putting an end to the racking problems of war-debts.

PERSONS

Philip Snowden, by Wickham Stead. *CURRENT HISTORY*, September. Quoted on page 80.

Newton D. Baker, by Frank R. Kent. *FORUM*, September. Mr. Baker's characteristics and training make him a desirable candidate for the Democratic ticket in 1932.

You Can Blaze Your Own Trail When You're Broke, by Jerome Beatty. *AMERICAN*, September. A homely picture of Alfalfa Bill Murray, Governor of Oklahoma, who started for the executive mansion with crackers, cheese, and a dime.

A Thing We All Seek, by Bruce Gould. *AMERICAN*, September. A railroad president, Daniel Willard, and a section manager, Andrew Brandenburg, come to similar conclusions about life.

The Tragic Fall of Ramsay MacDonald, by Oswald Garrison Villard. *THE NATION*, September 9. For the second time MacDonald has chosen to sacrifice personal interests to his ideals.

France's Greatest Actor, by Magdeleine Marx. *THEATER GUILD*, September. Firmin Gémier is not only a great actor, but an innovator who looks to a glorious future for the theater.

The Americanization of a Grand Duke, by Duke Alexander of Russia. *GOOD HOUSEKEEPING*, September. Three visits to America during financial crises only reinforce the Grand Duke's belief in the future greatness of the country.

EDUCATION

The Lost Generation, by Christian Gauss. *FORUM*, September. Quoted on this page.

The School Follows the Child, by Hubert Phillips. *THE SURVEY GRAPHIC*, September 1. California has improved the health and ability of wandering Mexican cotton pickers by providing schools for their children.

Connecticut Bends the Twig, by Adelaide Nichols. *THE SURVEY GRAPHIC*, September. Norwalk schools, under direction of the Yale School of Education, are attempting to develop student character and combat juvenile crime.

The Educational Tragi-Comedy, by W. B. Curry. *THE NEW REPUBLIC*, August 19. The trend of research in education is on subjects of minor importance, while important fields are left untouched.

POLITICS

The American Distrust of Cities, by Walter Lippmann. *WOMAN'S HOME COMPANION*, September. Quoted on page 76.

Bryan, Thou Shouldst Be Living, by Gerald W. Johnson. *HARPER'S*, September. America needs a good demagogue to snap her out of lethargy and ingrowing pessimism.

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is, however, so small that they scarcely affect the congestion at the campus terminals, and from the standpoint of the colleges the remnant is not our hope but our despair. What are they to do?

In appraising the resultant situation, it must be borne in mind that the choices of this large group are not free; they are choices enforced. It may be, however, that the decisions they are making now will lead us and the colleges generally into trouble later. The young man or woman who was graduated from college in June and could not find a job is of course unwilling to remain idle. He or she must do something, and although their financial situation is often difficult and the possibilities of help from home exceedingly limited, many of them are planning to follow a natural course.

They are accustomed to work and study on the campus. At many of their universities there are other departments which they are free to enter, provided they can possibly raise the necessary funds. Either at their own institutions or elsewhere they can continue as graduate students or students in professional schools. In spite of the hardships involved, they are planning to do this in numbers that should give us pause, for it may conceivably result in an unhealthy situation from the standpoint of society. Statistics from a number of institutions already indicate clearly a pronounced drift in this direction. Conditions in the university which I happen to know best may serve as an index.

THE MEN who finish their course at Princeton and who continue with graduate work, or who enter professional schools, has usually run somewhat higher than in the country at large. Before leaving college, the members of the senior class, as at many other colleges, indicate what they are planning to do after graduation, and the results are published in their year book. The class of 1929 may be taken as the last one that went out into the world under conditions of prosperity. . . .

In answer to the question, "Are you planning to enter a graduate or professional school?" the replies for the last three years were as follows:

	1929	1930	1931
Yes	125	156	240
No	194	219	229
Undecided	13	16	18

It will be seen that there has been a very rapid rise since the depression began in the percentage of those intending to continue professional or graduate studies. The percentage of those voting who were going to enter professional or graduate schools rose from 37 in 1929 to 39 in 1930, and to 48 in 1931. It may be that this really astonishing rise at one institution in 1931 is excessive and somewhat out of line; but even if we discount this possibility, reports from any number of other institutions indicate the same general tendency.

The solution being worked out by the college graduates themselves in 1931 cannot be taken as altogether satisfactory. It will, of course, provide them with something to do for a year or two, provided that in the meantime they can make both ends meet; but it is only a

postponement of the day of reckoning.

Quite evidently, if business cannot now absorb its normal percentage of college graduates, in a few years the professions will be called upon to make a place for them. This may be hard on the professions, for some of them, particularly the law, are already overcrowded and we may be running serious danger of creating what already exists in many European countries—an unemployed, intellectual proletariat. . . .

It may be said that the induction of the college classes of 1931 into the larger world at our June commencements was not an auspicious one. Most of these young men and women are sporting about it and make no complaints or

recriminations. Many of them, however, are thinking very seriously about our social, political, and economic problems. They feel that something is wrong and that they are not altogether at fault. . . .

It is inevitable that some of these young men should believe that the older generation is responsible in part at least for this jobless world in which they find themselves stranded. We, their elders, their parents, their teachers, have been telling them that we were preparing them for life. They are ready for the journey. In their language, they are all dressed up and there is no place to go. It is all very awkward and perhaps it is our fault. We should have thought of providing them with jobs.

The Trouble with Cotton

By PETER MOLYNEAUX

From the Southwest Review, Summer Issue

THE OVERSHADOWING problem which the South is facing today is that of cotton. An immense number of the South's people—certainly as many as 6,000,000 of them, possibly more—are directly dependent for a living chiefly upon the production of cotton. There probably are as many more who are indirectly dependent upon cotton, and some 45,000,000 acres of the best land in the South is devoted to its production.

In most of the Southern states the difference between what are called "good times" and "hard times" is a difference of a few cents a pound in the price of cotton or of a million or so bales in the size of the crop. Cotton, in short, occupies the central position in the South's economy. In a much truer sense than is intended in the song, the South is the "land of cotton."

Today cotton cannot be sold for a price approaching the cost of its production. Even at a ruinous price the world is buying less American cotton than formerly, and there is a good reason to believe that this is a more or less settled condition. As a result of this situation, millions of Southern people, white and black, are facing the prospect of living at a bare subsistence level, and the economic structure of the South is threatened with dissolution. What's to be done about it? Is there a way out of this situation? That is the South's overshadowing problem. . . .

More than half of the annual American cotton crop must be sold *outside* of the United States. The American people have never in a single year consumed as much as 7,000,000 bales of cotton, and the average American crop is more than twice that amount. No single commodity offered for sale to the rest of the world by a single country makes so great a draft on the world's purchasing power as American cotton. The value of the annual cotton exports of the United States has more than once exceeded a billion dollars. A central question with respect to the South's well-being, therefore, is that of the world's ability to buy American cotton.

This is not merely a question of whether foreign countries are prosperous or not. There is more involved than that. For foreign countries must purchase our cotton within the borders of the United States. The American farmer must be paid in American money for his cotton, and in order to buy it the foreigner must first obtain American money. It is becoming increasingly difficult for the foreigner to obtain American money. If foreign countries sold to the United States as much goods as they bought from the United States there would be no difficulty about the matter. But, as everybody knows, that is not the case.

The foreigner, therefore, must obtain American money in other ways. The most obvious other way is to exchange gold for it. But the amount of gold that can be safely used in that way is decidedly limited, and if it were habitually used for any length of time between a nation that sold more than it bought and the other nations, the former would eventually have all the gold and the situation would be worse than ever.

Before the World War one way that other countries obtained American money was in the form of interest and dividends on American securities which they owned. Another way was from American tourists: the money American tourists spent in foreign countries was available to pay for American goods, including American cotton. Still another way was from money sent back to relatives by immigrants in America. And there were other ways. All such ways of obtaining American money were known as "invisible" items in the trade balance between nations.

But the war revolutionized that situation. The United States lent the Allies great sums during the war, upon which those nations must now pay interest and principal in annual installments. In addition to this, American investors have bought foreign securities since the War in greater amounts than the foreigners ever bought American securities. The annual interest and dividend income

from the foreign securities owned in the United States is much greater than that paid to foreigners on American securities which they own.

Since the armistice the American people have been accepting foreign securities in payment for a large part of their exports. American investors now own something like \$15,000,000,000 of foreign securities. Besides that, Americans own billions of dollars of foreign property and receive an annual income from it. It is this situation which makes it increasingly difficult for foreigners to buy goods from the United States.

As a banker nation the United States would be better off if it had no cotton to export; and as an exporter of cotton the United States would be better off if it were not a banker nation. But the United States is not going to quit being the world's banker in order to preserve its privilege of exporting cotton. Besides, it couldn't quit if it wanted to, now.

The American cotton farmer produces primarily for the export market. Today there is not an American market for so much as half of the average American cotton crop. The important demand for cotton is the foreign demand; the price at which cotton must sell is the foreign price. In the changed world that has resulted from the War, the Southern cotton farmer finds himself on the wrong side of the fence, so to speak: the foreign side. If he is to continue to sell his cotton to the world he must accept the price the world can afford to pay. And that price will be the foreign price, adjusted to the foreign price level, and not adjusted to the American price level.

This situation is fundamental and irrevocable. However, it is made worse by certain other circumstances. One is that the quality of American cotton has fallen off. At the same time the quality of the cotton of certain other countries has improved. Moreover, certain countries have increased their production of cotton to a marked degree, and have manifested an ability to increase it still further.

What is the Southern cotton farmer going to do about it? One thing he is being told to do is to reduce his cost of production to a point where he can sell his cotton profitably at the price the world can afford to pay. But for the great bulk of growers of cotton in the South that is equivalent to telling them to reduce their standard of living. . . .

ONE WAY to reduce the cost of production is to mechanize cotton-growing and put it on a basis of mass production. This might get us cheaper and even better cotton, but it would put a great percentage of the present Southern cotton farmers out of business. It would create a condition of "technological unemployment" among cotton farmers. And yet, unless the cost of producing American cotton is reduced very materially, it will be driven progressively from the export market.

Only the United States can afford to pay a price for cotton in keeping with this cost, but even the United States will not do it, unless cotton production is reduced to a domestic basis and protected against foreign cotton by a tariff. But that means cutting the crop in half,

and this, we are told gravely by Southern leaders, is impossible. So we face "impossible" alternatives on the one hand, or mechanization and mass production on the other. . . .

It seems to me that the inevitable conclusion which must be reached, in view of the probable conditions in the world for some years to come, is that the alternative we must choose from among those presented is that of reducing our production of cotton as nearly as possible to a domestic basis.

The logic of the situation would seem to compel such a conclusion. If it is true that the cause of the South's economic backwardness is that its chief economic activity has been the production of raw materials for foreign export, then it must follow that the way out is to reduce our dependence upon foreign exports by increasing our production for the domestic market.

That any economic program for the South in the future must give an important, if not the prime, place to industrial development ought to be obvious. But it should be noted in this connection that it is the home market that should be emphasized, and not raw materials or any similar factor. We must emphasize "producing for the home market" and constantly improving that market." We must do more things, all kinds of things, in the factory and on the farm, for ourselves and for our immediate neighbors, and less for people on the other side of the ocean.

Whither the East Prussian Junkers?

THE CZECHOSLOVAK nobility were mostly of foreign origin in 1918, says Henry Baerlein, in the *Central European Observer* of Prague. They were out of sympathy with the new state, and many departed from its limits because of their Hapsburg loyalties. But what of the far-famed Prussian Junker class, an indigenous breed who stubbornly clung to their estates? Says Herr Baerlein:

"When the German army collapsed, the Junkers' lack of ideas and independence left them in complete mental and moral confusion at the decisive moment in which they might otherwise have come to the defense of their rulers. The king ruled by the grace of God, and to serve him was, to them, an article of faith; so when the king disappeared the Junkers found themselves in the tragic situation of a believer who suddenly becomes convinced that there is no God.

"The nobles were divided as to what attitude they should adopt. Hindenburg, whose family had been landed Junkers and officers since 1280, came over to the new order after a few years and took the oath to the black, red and gold republican flag. . . .

"The first thing the Junkers discovered, after the war, was that they had suddenly become poor. Having lost their public posts and being forced to return to their lands, they realized, especially after the inflation—that is, from 1924 onwards—that they had overestimated the value of their properties by some 30

In the Month's Magazines

Continued from page 77

Roosevelt the Favorite! OUTLOOK AND INDEPENDENT, September 9. According to a poll of the nation's editors, Roosevelt is most likely to get the Democratic nomination for 1932, but Newton Baker is favored.

The Lawless Arm of the Law, by Ernest Jerome Hopkins. THE ATLANTIC MONTHLY, September. Police methods do not promote respect for law.

The Power Trust, the Politician, and the Plunderbund, by Ernest Greenwood. PUBLIC UTILITIES FORT-NIGHTLY, August 20, September 3. Public ownership of public utilities is not a social asset. Part II. Municipal ownership is losing ground.

Technology and Political Boundaries, by William Beard. THE AMERICAN POLITICAL SCIENCE REVIEW, August. The growth of technology demands reconsideration of local laws, and of traditional political geography.

America on Trial, by Will Durant. RED BOOK, October. America's shortcomings, detailed by the author of a "Story of Philosophy".

AVIATION

Two Miles Up, by Myron M. Sterns. HARPER'S, September. Altitude, speed, sudden stops, and changes of direction have peculiar effects on those who fly.

The World's New Crossroads, by Don Rose. AERO DIGEST, September. New crossroads are blazed as by-products of the summer's stunt flights.

The Navy Airship "Akron". AERO DIGEST, September. The building of the Akron, and technical description of its features.

FOREIGN PERIODICALS

War and Peace, by Emilio De Bono. NUOVA ANTOLOGIA, Rome, August 16. A discussion of current attitudes toward humanity and international harmony.

The Truth as to German Distress, by Victor de Marcé. REVUE DE DEUX MONDES, Paris, August 15. The Reich suffers from too much armament, too many civil employees, but not from too much reparations.

Japan's Archer Premier, by K. K. Kawakami. Japan, San Francisco, September. Reijiro Wakatsuki, an able Prime Minister, who has a favorite hobby.

Where Anti-Semitism Is a Crime, by Boris Pilnyak. THE JEWISH STANDARD, Toronto, August 7. The famous Soviet author tells how Communism has done away with the greatest of Czarist abuses.

Bolshevism Prepares for War, Anonymous. REVIEW DE DEUX MONDES, Paris, August 1. Quoted on page 75.

The Fate of the Nobles, by Henry Baerlein. CENTRAL EUROPEAN OBSERVER, Prague, July 31. Quoted on page 79.

Bolshevism's New Policies, by Joseph Stalin. IZVESTIA, Moscow, July 5. Quoted on page 72.

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to 50 per cent, that they had been cultivated in quite an inefficient and old-fashioned manner, and that the world market and world prices had completely changed. Having neither the initiative nor the experience to adapt themselves to the crisis, and no longer enjoying the special favor of the state or their privileges or former self-confidence, they lost within a few years both the social and the material props of their existence.

"In these circumstances they were obliged to change their manner of living. About 30 per cent. of the Junkers remained upon their estates, 10 per cent. became officers of the Reichswehr and about 5 per cent. went into diplomacy or other branches of the civil service. The others had to find entirely new careers. About 30 per cent. went into banks and trade and, by virtue of being personable and having distinguished names and good manners, they became agents for manufacturers, motor-car dealers, steamship lines, etc. About 25 per cent. remained unemployed, although thousands of these received military pensions. A number of former staff officers, who had long ago been selected for their capability, now sit as aristocratic directors of industrial corporations.

"In the government itself the privileges of the Junker are diminished, but not altogether at an end. Although there is at present only one nobleman in the government, the important diplomatic posts abroad are largely in Junker hands: of the nine ambassadors appointed by the new republic only two are commoners. Among the commanders of the sixteen military districts, ten are Junkers.

"In the cities the Junkers have lost most of their influence in that the officer, who under the monarchy had preëminent social standing, has today in the Reichswehr a reduced significance: the modest uniform allotted to him is proof of it. In rural districts, however, the Junker influence is almost as important as it was before the revolution."

Philip Snowden

"**P**HILIP SNOWDEN was born on July 18, 1864, at Cowling in the West Riding, on the edge of the moors," writes Wickham Steed in *Current History*. "The people of Cowling had, for generations, woven woolen cloth by hand, and had fought a grim and losing fight against the power looms which ended by turning them into mere 'mill hands.' His father, John Snowden, a devout Wesleyan and a Left Wing Liberal, was a weaver, as his mother had been. Like her husband, she took her full part in the village life that centered round the Wesleyan Chapel and the Liberal Club.

"Snowden was a wiry youth with a ready tongue and a hunger for knowledge. Eschewing the mill, he became a pupil teacher at the local school, and afterward an insurance clerk. Then, passing an examination, he got employment as an excise official and was sent to many parts of England and Scotland on duty."

The politics of young Snowden were those of his father, Mr. Steed continues. Then he injured his back in a cycling

accident and was forced to stay in bed for a year. Meanwhile his father died and he was invited to read a paper on socialism before the Liberal Club.

While preparing this paper, he was converted to socialism. But Mr. Snowden is not a fanatic. He is rather an advanced Liberal. He knows the hazards of the wage-earning class. He distrusts irresponsible capitalism and wishes to curb it, but he is not envious.

"His aim," says Mr. Steed, "is to draw clear conclusions from hard facts and stick to the conclusions thus reached. Time after time he has defied wavering electors, and spurned the advice of friends who urged him to concede something to popular prejudice. His answer has always been: 'These are my principles; take them or leave them.'

"Popularity is not lightly won in this way but, once won, it is accompanied by solid respect. Snowden won it in the teeth of difficulties such as few labor leaders have had to contend against. Not until 1906, after twelve years of intense effort, was he first elected to Parliament by the Lancashire city of Blackburn. Meanwhile he had tasted, again and again, the bitterness of defeat, and had learned that a man's worst foes are often to be found in his own party household. . . .

"In the House of Commons his ascendancy was soon established. The cultured tone and terse phrasing of his maiden speech marked him as something more than an equal among equals, while his physical handicap and ascetic mien won him sympathy. Year by year Snowden's hold on the House of Commons grew. He liked its atmosphere, and its members liked him. They felt he was a man, not a 'dead-head.' On occasion he voted against his own party, and in 1911 resigned from its executive as a protest against a Parliamentary 'deal' which Ramsay MacDonald had made with Lloyd George.

"Differences more serious arose after the outbreak of the War. Most of the Labor members heartily supported the Allied cause. Snowden disagreed with them. He was not pro-German. He was simply anti-war. He paid the price."

For four years Mr. Snowden could not secure reelection. Then came his chance in 1922. On the fall of the Baldwin administration in December, he became Chancellor of the Exchequer in the first labor government.

Instead of framing a socialist budget, however, he sought council of Mr. Asquith, former Chancellor.

"As an exposition of sound finance Snowden's budget speech made a deep impression," says Mr. Steed, "nowhere deeper than in the City of London."

"His record as Chancellor since June, 1929, gives no clue to his future. Mr. Churchill's raids upon every hidden resource of the treasury had left Snowden no option but to increase taxation in 1930; and this year's budget has merely marked time in the hope that the financial depression may pass. Given health, he may yet become the most effectively dangerous of Labor leaders, for he believes in the righteousness of redistributing wealth by mulcting the rich to help the poor," concludes the author.

In the Month's Magazines

Continued from page 79

Great Britain and France, by Brig. Gen. E. L. Spears. *THE NATIONAL REVIEW*, August, London. A surprisingly pro-French statement from a British source; Germany is not quite to be trusted.

Renaissance or Decline? by the Marquess of Lothian. *THE CONTEMPORARY REVIEW*, September, London. Is the world on the rocks, or will Communism inaugurate a new era?

The American Film Monopoly, by Ebbe Neergaard. *DIE WELTBUEHNE*, August 11, Berlin. Cash customers, not art, inspire the Hollywood movie manufacturers.

Otto Bauer and James Maxton, by Ernst Fischer. *DIE WELTBUEHNE*, August 11, Berlin. Socialism convenes at Vienna in the moderate and semi-capitalistic Second International.

MISCELLANEOUS

This Motor Age, by Earle Duffy. *OUTLOOK AND INDEPENDENT*, August 19. Detroit will spend \$100,000 on her master plan to solve internal and external traffic problems.

Public Benefactions and Trusts, by Gilbert T. Stephenson. *AMERICAN BANKERS' ASSOCIATION JOURNAL*, August. Mutual benefit would result if trust companies handled the two billion dollar gifts received yearly by institutions in the United States.

Sex and the Law, by Helen Buckler. *SCRIBNER'S*, September. America's difficulties in this field go deeper than official graft and corruption.

Crossing the Color Line, by Caleb Johnson. *OUTLOOK AND INDEPENDENT*, August 26. Present conditions point to the possibility that the American Negro will be absorbed into the body of mixed bloods which constitute Americans.

Mental Health as a National Problem, by Ray Lyman Wilbur. *MENTAL HYGIENE*, July. More time and research should be devoted to the study of mental disorders.

We Need Your Help at Sing Sing, by Frank S. Mead. *CHRISTIAN HERALD*, September. Warden Lawes of Sing Sing urges society to change conditions which breed criminals.

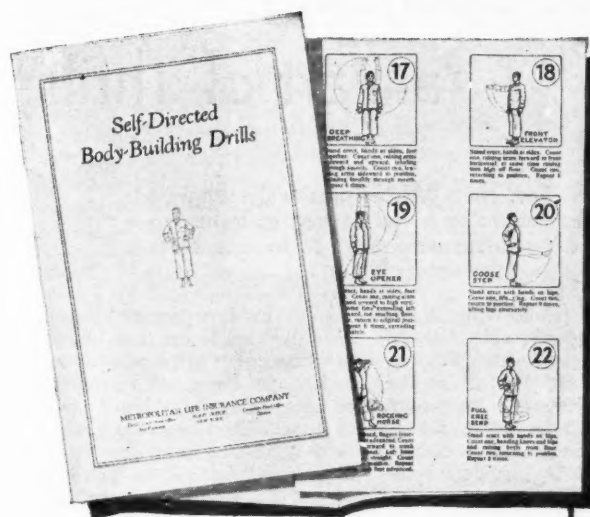
Brood of Folly, by Mariam Allen de Ford. *OUTLOOK AND INDEPENDENT*, September 9. There is growing tolerance toward illegitimate children in America.

The Waning Power of the Press, by Oswald Garrison Villard. *FORUM*, September. With the development of the newspaper profession into the newspaper business, the press has lost its power.

The Crisis in Liberia, by Frederick Starr. *UNITY*, August 17. The thesis that Africa's black republic is in danger because of interference by the United States.

New Hampshire, the Granite State, by George Higgins Moses. *NATIONAL GEOGRAPHIC*, September. New Hampshire has mountains and lakes for recreation, and rivers to turn her mills and produce electricity.

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The muscles you use each day are not the ones which need exercise. Those you do not use need it. If you will begin stretching them this autumn, you will soon enjoy a sense of mental and physical well-being and be better fit to meet changing seasons.

Will you try a few experiments in order to find out how many of your muscles are very much in need of exercise? Give yourself fifteen minutes of intelligent muscle-stretching in your own room. Within twenty-four hours you will know which important muscles have been neglected.

Where vacuum cleaners and electric washing machines have replaced brooms and washboards, and automobiles have made long walks unusual, many a good muscle has gone soft. Muscles intended to be used in chopping wood, pumping water, digging, planting, rowing and swimming are likely to be forgotten by those who burn gas or fuel oil, turn faucets, have no gardens and seat themselves comfortably in power boats or motor cars.

Wake up the little-used muscles which need exercise. Your heart is a muscle and the walls of your blood-vessels, stomach and intestines are largely muscle. If your diaphragm—a muscle—is not exercised, your lungs can do only part of their work and the abdominal organs will become sluggish because they lack the stimulating massage which an active diaphragm gives.

No one who has any organic weakness should exercise without the advice of a competent physician. Misdirected or too violent exercise may be harmful. Proper and intelligently directed exercise promotes health for young and old and enables them to get more joy out of life.

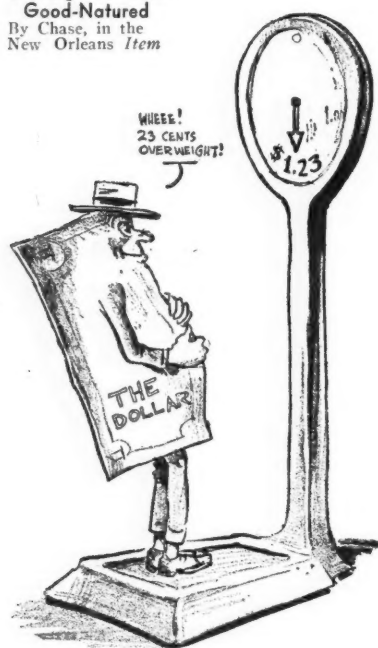


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Getting Fat and
Good-Natured
By Chase, in the
New Orleans Item



WALTER H. BENNETT, president of the Emigrant Industrial Savings Bank in New York City, looked on while the deposits of his institution grew by a million dollars each week for a whole year. He decided that it was time to offer a novel suggestion to depositors.

His bank, in common with some others, had made every effort in 1928 and the forepart of 1929, when salaries were high and employment was easy to get, to encourage people to save and to resist the temptation to spend recklessly. Now, he believes, economic conditions have changed so radically that banking advice must change to keep faith with the depositors' best interests. Here is this savings bank official's present advice:

"Keep on deposit all you should have as a reserve against emergencies. If that reserve is not yet large enough (it should be equal to at least six months' salary), add to it. But if you have a surplus above all likely needs, make careful purchases of things you want for permanent use while prices remain low.

"See that your home is put in good repair. Do not let your automobile or any other property get run down. If you have long needed an added piece of furniture, shop carefully and buy it now. Buy clothing in reasonable quantities. Buy real estate if you are planning for a home of your own. Land prices have not been so low in many years, and mortgage money for building can be had on very reasonable terms.

"Wise spending at the right time is as much a part of good thrift as saving all you can when prices are going up."

Is Wise Spending a Part of Thrift?

A SAVINGS-BANK president suggests that hoarding is not saving, while buying at low prices may prove to be true thrift

The Emigrant Industrial Savings Bank is more than eighty years old. It is in friendly rivalry with the Bowery Savings Bank (also of New York City) as the largest institution of its kind. Its growth reflects the savings habit of people of modest means, in good times and bad. Deposits on July 1, 1914, just before the War, were \$137,000,000. Ten years later—on July 1, 1924—they had grown to \$246,000,000, an average gain of about \$11,000,000 yearly through war boom and post-war deflation. Five years later still—on July 1, 1929—in the very height of our recent prosperity, the Emigrant's deposits were \$321,000,000. The average yearly gain in that boom period was \$15,000,000.

In the two years of depression, however, the deposits of this savings bank have grown beyond belief. Here is the record:

July 1, 1929.....	\$321,667,574
July 1, 1930.....	341,321,949
July 1, 1931.....	397,877,082

Fifty-six million dollars were added to the savings intrusted to this bank management in its last fiscal year, on top of twenty millions in the year preceding, in a period of extreme business depression and widespread unemployment. Mr. Bennett was convinced that the time had come to restate certain principles.

"Thrift," he explains, "is quite different from hoarding—as different as courage is from fear. No one has caught the real purpose of thrift until he realizes that, next to a safety reserve, wise buying of permanently useful goods or property is of the very essence of courageous thrift as distinct from the hoarding of fear. This is doubly true at a time when prices have reached the lowest level in nearly two decades."

Mr. Bennett has in mind primarily the increased purchasing power of the dollar, which he estimates conservatively at 16 per cent. during the past two years and a half. A thousand dollars left in the bank for that period will have earned \$114 in interest; but the real worth of that deposit and its accumulated interest, if expressed in purchasing power, will have increased \$178 in addition to the interest credited.

So far in his argument his attention has been directed to the individual depositor, of whom there are a quarter of a million in his own bank and thirteen million in all the mutual savings banks of the country. Then he turns to the mass effect. "The millions of savings and thrift depositors," he states, "have it in their power to change the whole aspect of industrial and trade conditions. Judicious spending now will help to set the wheels of industry turning more rapidly and restore employment to thousands now out of work. All we [the bank] have done is to give a counsel of courage when the business world is too much dominated by fear and uncertainty. Trade movement can only start with increased consumer buying."

Mutual savings banks operate in seventeen states, from Maine to California, including Massachusetts, New York, and Pennsylvania. Since there are no stockholders, the depositors own the banks; and profits in excess of the dividend declared (from 3½ to 4½ per cent. in recent years) go into an ever-growing surplus account. Depositors' money in these savings banks throughout the country has grown in this depression period:

July 1, 1929.....	\$8,954,835,000
July 1, 1930.....	9,145,891,000
July 1, 1931.....	9,976,967,000

The growth of deposits during the first year of depression was \$191,000,000, while in the second year the gain was \$831,000,000—more than four times as much. The experience of the Emigrant Bank thus has been plainly duplicated in most savings banks throughout the country. The increase in number of depositors was 966,826. With even a minimum allowance for accounts closed, by death or otherwise, it appears that more than a million new accounts were opened during the year.

Among letters that come to this magazine seeking investment advice was a recent inquiry from a business establishment in New York. The writer declared that his company had "a very large sum" which it wished to place on deposit in a savings bank. He went on to inquire about the strength of certain institutions which he named. He admitted that his

selection of savings banks included only those which were paying the highest rate of interest on deposits. His commercial bank was allowing one-half of one per cent. on balances, while those savings banks which he named were paying 4 per cent.

This business man was venturing into a new field, and he was destined soon to learn that savings banks will not ac-

cept deposits from corporations or other business establishments, will not pay interest on sums in excess of \$7500, and do not in these times encourage deposits exceeding \$1000 in any quarter-year. As one bank president put it, a savings bank is what its name implies. There are subterfuges, of course. A corporation could, for example, deposit money in the name of one or more of its employees

(a joint account, let us say), and keep the bankbook as security.

Money that goes into a savings bank finds its way largely into mortgages on homes and into government and other "legal" bonds. Even though depositors fail to take Mr. Bennett's advice, therefore, their savings are playing an important part in maintaining stability and laying a firm foundation for normalcy.

"England Yet Shall Stand"

HOW BRITAIN met its financial crisis, with the taxpayer asked to pay over to the Government one-fourth of his income, besides indirect taxes.

A REPORT OF THE Committee on National Expenditure, making drastic recommendations, was made public in England on August 6. Exactly five weeks later, on September 10, the objects sought in that report were, in effect, the law of the land. A ministry had been upset, a Prime Minister had been cast out of his party, Parliament had been reassembled, and a new budget with profound changes had been prepared and become operative—all in five weeks time. It was as if a Wickersham Committee or a Tariff Commission, making extraordinary suggestions, had seen its labors come to fruition in a similar space of time.

Picture the Socialist Philip Snowden, supporting himself with two canes as a result of a cycling accident in his youth, taunted by the members of his own party and cheered by his lifelong political enemies, the Conservatives, as he announced reductions in the unemployment dole and an increase in the tax on beer. It was his fourth budget—a revision of the third, presented only last April—and his last one; for the pace has been too swift and the physical sacrifice too great.

The Committee on National Expenditure had been created by the House of Commons, composed of seven members and presided over by Sir George May. Its report visioned a deficit of \$600,000,000 which should be made good by new taxes and by economies. The recommendations included reductions in unemployment insurance (the dole), in expenditures for education, in salaries and wages of civil and military employees, and in the outlay for maintenance of improved roads.

Coincident with this May report there had been signs that the domestic financial situation was weakening British financial prestige abroad.

Prime Minister MacDonald's cabinet decided to adopt an economy program immediately. Then there developed opposition from the general committee of the Trades Union Congress, which is all-important when a Labor government is in power. Dissension followed within the ranks of the Premier's official family. He handed his resignation to the King, was commissioned to form another cabinet, and succeeded in obtaining the co-operation of the leaders of the two opposition parties. Both Stanley Baldwin, leader of the Conservatives, and Sir Herbert Samuel, leader of the Liberals dur-

ing the illness of David Lloyd George, accepted membership in the new cabinet. Premier MacDonald stresses the point that this is not a coalition government, but one of cooperation. It will hold office only until the national emergency is passed. Stability of the pound sterling, in international exchange, is to be maintained at all costs.

Philip Snowden remained as Chancellor of the Exchequer, and two days after Parliament reassembled he rose in his place at the Treasury Bench to tell the people of Britain what the Government expected of them.

Under the heading of savings or economies, this Socialist dared to announce a 10 per cent. reduction in the payments to unemployed; estimated saving, \$129,000,000 in the next fiscal year, beginning April 1, 1932. An increase in premiums payable into that insurance fund will yield \$50,000,000 more. An unemployed man with a wife and two children, receiving \$7.30 weekly, will be given only \$6.68 hereafter.

Salaries of government employees, from the Prime Minister down—including judges, members of Parliament, officers in the military service, policemen, and schoolteachers—are reduced 20 per cent. in the higher grades and 10 per

cent. in the lower classes. Savings here are estimated at \$25,000,000, exclusive of other education economies which themselves exceed \$51,000,000. Reductions in the cost of defense, other than pay reductions, will amount to \$25,000,000. Road fund omissions will save \$40,000,000, and miscellaneous items make up \$30,000,000 more.

Altogether, these economies total \$350,000,000, a third of which may be achieved even in the current fiscal year that ends on the 31st of next March. What is put down as a saving in debt redemption—largely a shrinking in payments into the sinking fund—will save \$100,000,000 in the full year.

UNDER THE HEADING of taxes, Mr. Snowden levies new rates which will produce \$202,000,000 in the remaining half of the present fiscal year and twice as much in the next full year. First and foremost is an increase in the income tax, the old rate being 22½ per cent. and the new one 25 per cent. Exemptions are reduced at the same time. A \$5000-a-year man with a wife and two children will pay the Government \$950, after deductions which total only \$1200. Stating the same thing roughly in another way, out of his \$100 weekly



From Punch © London

AND A PULL ALL TOGETHER

Ranged behind Premier MacDonald are Stanley Baldwin, the Conservative leader; Sir Herbert Samuel, the Liberal, and John Bull himself.

salary he will pay the government \$19 every week.

In the United States a taxpayer in similar circumstances would deduct exemptions of \$4300 and pay a tax of something less than \$12.50 for the year. The British taxpayer in that class will thus pay nearly sixty times as much as the American. Words, and even the imagination, sometimes fail to paint an adequate picture of the seriousness of a situation; but the fact of a one-fourth tax in peace time is understandable.

In the United States the head of a family is totally exempt from any tax if he earns not more than \$4000. In England he is exempt only if he earns less than \$750. A single man pays a fourth of his earnings in excess of \$500. There are, of course, surtaxes which apply to larger incomes.

The gasoline tax in Great Britain is increased from 12 cents to 16 cents a gallon. The tax on beer is raised by 2 cents a pint, and is now 10½ cents. The tobacco tax is similarly increased by 16 cents a pound.

Recapitulating, the economies will reach an estimated total of \$350,000,000 in the next fiscal year; the debt redemption changes will save \$100,000,000, and new taxes will yield \$407,500,000—turning a certain deficit of \$850,000,000 into a prospective surplus of \$7,500,000. As we have indicated, enough of this will be effective in the remaining half of the current fiscal year to achieve the proportionate result immediately.

Quite as extraordinary as a 16-cent gasoline tax, a 10-cent levy on a pint of

beer, and a 25 per cent. income tax, is a later proposal that Britain adopt a revenue tariff. The favorite suggestion was for a flat 10 per cent. duty on all imports, though there were spokesmen also for a 20 per cent. rate.

Thus the British people, by heroic peace-time sacrifices, are making a new effort to keep income and expenditure evenly balanced. The magnitude of Philip Snowden's achievement is equaled only by the seriousness of the situation that had confronted him. "Come the world against her, England yet shall stand." With a program that matched his stirring words the frail Chancellor, worn by weeks of political as well as financial crises, won the plaudits of Conservative and Liberal members of the House though he failed to hold the esteem of the uncompromising members of that Labor party of which he has been a distinguished leader for more than thirty years.

Uncle Sam Borrows Again

WHILE GREAT BRITAIN makes heroic effort to balance its budget, the United States continues to borrow to meet ever-growing deficits. The British government has twice rearranged revenues and expenditures—in April and in September—since the Congress at Washington adjourned for its nine months' recess.

In the American scheme of things, expenditures for the fiscal year that does not end until June 30, 1932, were provided for in a budget which was fairly well laid out in December, 1930. Similarly, the revenue items for the present fiscal year include income-tax payments from individuals and corporations that will not be due until March 15 and June 15 of next year. Those payments could not even now be estimated by the individuals and corporations themselves; much less could they have been estimated by the Government ten months ago.

A deficit of \$950,000,000 was wiped off the Government's books on June 30 last, and a new deficit began with the very next day. July, August, and part of September have passed as these lines are written—perhaps 11 weeks out of the 52—and the deficit is already \$461,000,000. Last year on the same day it was \$302,000,000. Here are some comparative figures, to September 9:

	Present fiscal year	Last fiscal year
Receipts from		
Customs	\$82,226,435	\$68,284,164
Income tax	55,797,041	67,721,285
Internal revenue.	106,378,537	122,372,791
Miscellaneous ..	18,051,409	21,287,383
	\$262,453,422	\$279,665,623

Thus it will be seen that receipts in the first ten weeks of the current fiscal year were \$17,000,000 short of last year, though there was a gain of \$14,000,000 in customs receipts.

The Government does not similarly analyze its daily expenditures, but here is the comparison of total expenditures chargeable against ordinary receipts from July 1 through September 9:

Present fiscal year	\$732,388,409
Last fiscal year	590,177,281

Excess this year

\$142,211,128

With \$142,000,000 more spent this year so far, and \$17,000,000 less received, the Government's deficit is \$159,000,000 greater than it was a year ago. It was then \$302,000,000; it is now (September 9) \$461,000,000. A fifth of a year has gone. At that rate, admittedly not a reliable method of estimating, the deficit at the end of this fiscal year would be \$800,000,000 greater than in the previous one, or a total of \$1,750,000,000. And one may venture to guess that when income-tax receipts are added up next March the real deficit will exceed even this huge sum.

So the Government borrowed money, for the third time this year. There had been a bond issue of \$500,000,000 in March, and one of \$800,000,000 in June. In September the Treasury invited subscriptions for \$800,000,000 more. Every time the government offers one of these bond issues it retires large amounts of its temporary certificates of indebtedness. Using receipts from the third instalment of income tax, and some of the new money from this latest bond issue, the Government on September 15 retired more than \$630,000,000 of its accumulated short-term obligations.

The interest rate on the March loan was 3% per cent. On the June issue it was 3½. On the September offering it

Dividend Notice

Pacific Lighting Corporation Common Stock; Dividend No. 88, payable August 15, 1931, to stockholders of record July 20, 1931.

Pacific Lighting Corporation 6% Dividend Preferred Stock; Dividend No. 96, payable July 15, 1931, to stockholders of record June 30, 1931.

PACIFIC LIGHTING CORPORATION



DIVIDENDS OF SUBSIDIARY COMPANIES:

Southern California

Gas Corporation

\$6.50 Dividend Preferred Stock; dividend payable August 31, 1931, to stockholders of record July 31, 1931.

Los Angeles Gas and

Electric Corporation

6% Preferred Stock; dividend payable August 15, 1931, to stockholders of record July 31, 1931.

Southern California Gas Company

6% Preferred Stock; dividend payable July 15, 1931, to stockholders of record June 30, 1931.

Southern Counties Gas

Company of California

6% Preferred Stock; dividend payable July 15, 1931, to stockholders of record June 30, 1931.

Unifying the following companies [together with the Santa Maria Gas Co.] to form a compact and completely interconnected utility system, for economy of operation and of supplying capital for extensions and improvements. The Pacific Lighting group, established in 1886, supplies natural gas throughout the major portion of Southern California and both natural gas and electricity in the city of Los Angeles, serving 976,000 customers.

Dividends on all of the foregoing issues have been paid uninterruptedly since the initial dividend.

PACIFIC LIGHTING CORPORATION, 433 CALIFORNIA STREET, SAN FRANCISCO

★ "SERVING THE EMPIRE OF THE WEST" ★

was an even 3 per cent. The June issue had been subscribed nearly eight times over. The demand for the September issue was satisfactory but not impressive, due to the extremely low rate and the far distant maturity date (24 years). Subscriptions received fell short of a total of one billion dollars.

When Congress meets in December, its leaders will be divided as to the wisdom of increasing taxes in a period of business depression and unemployment. Some will urge a raising of rates on higher incomes; others will propose a new tax on sales; still others will desire, somehow, a tax on beer. Possibly the example of MacDonald and Snowden, with their new demands upon the already overburdened British taxpayer, will inspire Americans to believe that continuing peace-time deficits in Uncle Sam's household expenses ought not to be passed on to coming generations.

The Small Borrower

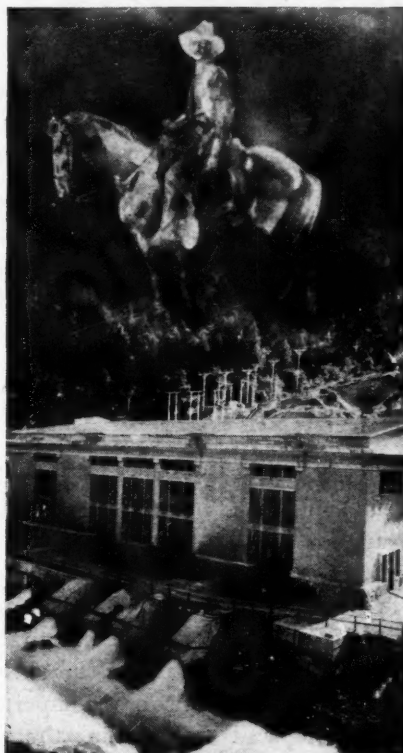
CONDITIONS that have made it necessary for Uncle Sam to borrow money—depleted income, or unexpectedly large expenditures, or both—have operated in precisely the same fashion with millions of ordinary citizens. These small borrowers may find accommodation in loan departments of regular banks, and some who work for large employers may be able to draw upon salaries not yet earned; but the vast majority borrow from personal finance companies and industrial banks.

The published earnings record of one of these companies, the preferred shares of which are listed on the New York Stock Exchange, throws some light upon the demand for money by small borrowers in a depression period. The Household Finance Corporation had \$42,000,000 out on loans on June 30 last, compared with \$36,000,000 a year earlier—a 16½ per cent. increase. There were 296,000 borrowers, an increase of 32,000 within the year. The average balance per loan had gone up, from \$139 to \$144.

But while a depression period may increase the demand for loans, this present one has evidently not had much effect upon the borrowers' ability to pay; for the net income from operations of the Household Finance Corporation increased from \$2,500,000 in the six months ended June 30, 1930, to nearly \$3,000,000 in the first half of the present year. The increase in business was 16½ per cent.; but the increase in income, after deducting all operating expenses, was almost 20 per cent.

The corporation lays its enlarged business not merely to a greater necessity on the part of borrowers, but in part to a national advertising campaign—in which, incidentally, it has sought to educate the borrower to an appreciation of the fact that a 2½ per cent. monthly interest charge on the balance owed is moderate. It is, indeed, a full 1 per cent. less than is permitted under the uniform small-loan law operative in half of the states. The advertising draws an analogy in the costs of selling coal by the basket and

NEVADA STRIKES A NEW BONANZA



Nevada sees in the great Hoover Dam a new bonanza promising a new and stable prosperity. Excepting for slow but deliberate advancement in agriculture and animal husbandry, the state up to the present has been dependent upon the vicissitudes of her mines. During three-quarters of a century her course has lead across long valleys of depression, with occasional ascents to peaks of mining prosperity.

Now all this is changing. The Hoover Dam will provide 300,000 acre feet of water for Nevada soil—amazingly fertile under irrigation. Residents of the state optimistically view a new economic structure based upon stable agriculture and industry to replace the glittering but short-lived eras of the Comstock, Tonopah and Goldfield booms. They point to \$65,878,000 to be expended on development work throughout the state.

In the next decade \$60,000,000 will be spent in railroad developments

and improvements; \$2,000,000 on power projects, municipal water supply systems and reclamation work; \$3,375,000 on highways in 1931. The national government has appropriated \$500,000 for additional construction at the newly-completed munitions depot at Hawthorne and the erection of a Veterans' Hospital costing \$650,000 is contemplated.

Normally the population of Nevada increases 17%, the number of farms 15% in a decade. With greater utilization of cheap hydro-electric power, opportunities are seen for development of manufacturing industries in addition to the basics of agriculture, cattle raising and mining—all stimulated by the \$150,000,000 Hoover Dam to be completed in seven years.

★ ★ ★

In all of its activities, Nevada is linked closely with the Port of San Francisco, where the Crocker institutions provide broad, regional banking facilities extending throughout the Empire of the West.

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CROCKER FIRST FEDERAL TRUST CO. ★ CROCKER FIRST CO.
OF SAN FRANCISCO

Leading the Way Back

Customers in the area served by the Associated System purchased 19,489 automatic refrigerators during a recent six weeks' refrigerator sales campaign. About half, or 9,592 of these sales, were made by dealers who were assisted by a plan of cooperation established by the Associated New Business Department.

Stability from Domestic Use

Growing domestic use of electricity from sale of appliances increases the natural stability of the industry. Stability from this source is becoming even more pronounced. During 1930, use of electricity in homes accounted for 33½% of the total revenue as compared to 28% in 1921.

This trend of the electric industry is of interest to those seeking sound investments

with growth possibilities. The achievement of dealers in cooperation with employees of the Associated System in the face of conditions generally unfavorable to business expansion shows that the utilities are an important influence in leading the way back to business recovery.

To invest in Associated securities, write

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by the carload. Twenty thousand dollars loaned by a bank on good security is a simple transaction; but the same amount loaned by the personal finance company, in sums that average \$200, will require 100 interviews, 100 transactions, and 1200 monthly payment collections during the year.

Leslie C. Harbison, president of Household Finance Corporation, emphasizes the importance of service in the work that his institution carries on. The fact that, without banking relationships, one can borrow in an emergency is all-important.

It has been found that four of these small borrowers out of every ten take the sum that they borrow and pay the butcher, the baker, and the candlestick maker. It is easier, for example, to pay back the finance corporation, in twenty equal monthly payments, than it is to hold off the landlord and the storekeeper. The assumption, of course, is that the borrower has a fair assurance of steady income for the future.

Canada's Sales Tax

SO LONG AS the income tax in the United States fails to touch the head of a family until his earnings exceed \$70 a week, there will be agitation for some other kind of tax that can be more equitably applied. The argument is that more persons should wish to have a share in the expenses of government; and that, incidentally, when more do share in them there will be closer examination of expenditures. In recent weeks the new sources of revenue most frequently discussed are a tax on beer (though no one suggests how that could be accomplished quickly) and a tax on sales.

Canada adopted a sales tax in 1920, during the financial crisis which preceded this present one. The rate at first was 1 per cent., increased rapidly until it reached 6 per cent. in 1924. Then the tide had turned, and prosperity was in full swing; so the sales tax was reduced to 5 per cent. in 1924, to 4 per cent. in 1927, to 3 per cent. in 1928, to 2 per cent. in 1929, and to 1 per cent. in 1930. Once more the pendulum of prosperity-depression has swung violently, and Canada finds it necessary to increase governmental revenues; so the sales tax was raised last June from the low point of 1 per cent. to 4 per cent.

The experience of Canada shows a yield from the sales tax that grew steadily from 15 million dollars in the first year to 120 million at the peak, in 1924. Then the series of reductions in the rate brought the yield down to 44 million in 1930. For four consecutive years the average exceeded 100 million dollars annually; and since the Dominion's population is hardly one-twelfth that of the United States it could be assumed that Canada's maximum sales tax would produce in excess of a billion dollars annually if it were applied in the United States. Such a yield would approximate that of the individual income tax, and be about five-sixths that of the corporation tax, even in our most prosperous era.

The Swope Plan

WHAT GERARD SWOPE presented before the National Electrical Manufacturers Association in New York September 16 was not an address on stabilizing industry, but a concrete plan for doing it. It is a plan under which industry itself is to organize, in order to avoid the present tragedy of manufacturers anxious to produce, but unable to find buyers, and of workers unable to find work, starving in a land of plenty. Mr. Swope, who is president of the General Electric Company, calls on industry to act lest political measures be attempted, with the danger that the fundamental structure of American business be destroyed.

There are two broad divisions in Mr. Swope's plan. One provides for orderly adjustment of production to consumption, the other for the orderly assurance of employment.

Industry would no longer be conducted on an individual basis, with countless scattered, conflicting, wasteful efforts. It would be governed intelligently, industry by industry, or on even a more universal scale including all of the country's industrial life. This would be done through formation of trade associations empowered not only to exercise the present functions of such bodies, but to "collect and distribute information on volume of business transacted, inventories of merchandise on hand, simplification and standardization of products, stabilization of prices, and all matters which may arise from time to time relating to the growth and development of industry and commerce, in order to promote stabilization of employment and give the best service to the public."

"Legislation will be required to make such a plan possible," says Mr. Swope, "including the probable modification of some existing laws." Also every effort would have to be made "to preserve the benefits of individual originality, initiative, and enterprise." The public would be protected by supervision over the trade associations by the Federal Trade Commission, the Department of Commerce, or a special federal body set up for the purpose. Stockholders would receive further protection in quarterly and annual statements on a standard, simple, complete form.

The other—and larger—part of Mr. Swope's plan undertakes to provide employees with generous workmen's compensation, life and disability insurance, pensions, and unemployment insurance. They would be assured all these on a standard plan, retaining their benefits no matter in which shop or even which industry they worked. Both employers and employees could contribute to the cost of these benefits, this cost becoming part of the price of the articles produced. Thus consumers would meet these charges directly in proportion to goods consumed, instead of indirectly in the form of a tax. This part of Mr. Swope's plan is based on existing practice and past experience. It is new only in its comprehensiveness and in the enormous impetus it would give toward wiping out labor's fear of illness, old age, and enforced idleness.



A SOUND INVESTMENT

Net income of the Commonwealth Edison Company for the three months ended June 30, 1931, was equivalent to \$2.67 a share on the 1,527,186 shares outstanding. This compares favorably with the net income for the same period of 1930, which was \$2.66 a share earned on 1,378,556 shares. Net income for the first half of 1931 was \$517,852 greater than the first half of 1930. Commonwealth Edison Stock is listed on The Chicago Stock Exchange. Stockholders now number in excess of 57,000.

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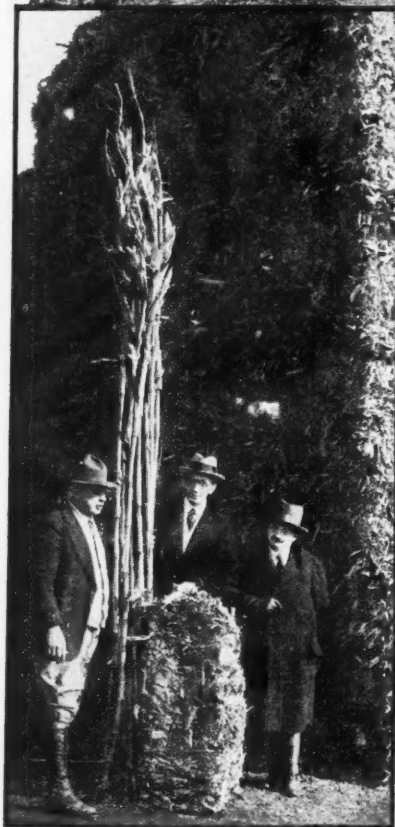
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I N D



NEW IDEAS in pipe-line construction make it possible to use the natural gas once wasted.

From Ewing Galloway



CORN STALKS are usually thrown away. But they can be made into anything from paper to artificial silk.

Running on the Leavings

MANY AN INDUSTRY finds its greatest hope of profit in products now wasted.

means of by-products formerly wasted offers the hope of a substitute for volume.

Industry has already adopted this principle to a great extent. Meanwhile enormous possibilities still exist. "What can we do with what we now waste?" "Are we overlooking opportunities to utilize our end-products, or to change waste products into assets?" These are questions that should be asked by every management. The answers may determine whether the next few years bring prosperity or hardship; success or failure.

The fish industry, for example, is finding many new channels for itself because of the change in marketing methods made possible by cellophane, quick-freeze, and frozen fillets. The marketing of fillet has resulted in an increased amount of fish scrap, both edible and non-edible, but not readily marketable. The industry went to work to develop a ground and dried fish food for poultry, and later for calves and hogs. The fish industry has now gone one further and developed fish scrap flour for human consumption. This fish flour will find increasing use in croquettes, chowders, purees, and as a substitute for wheat flours in crackers. It is extremely high in protein and serves as an economical source of protein. It is high in desirable mineral salts, including calcium phosphate, and contains worthwhile amounts of iodine and copper.

Obviously the development of fish flour for livestock as well as human consumption opens a market for the fish industry, one which should tend to reduce the sales price for fillets, because of the salability

of what was formerly largely a waste product.

Tomatoes, corn, and peas are the three major canned vegetables, these three constituting about 16 pounds of the total of 26 pounds per capita of canned vegetables consumed last year. Within the year consumption of tomato juice has increased by leaps and bounds. Formerly tomato juice was either discarded as a waste product or was included with the pulp or whole tomato in the can. Today little of it is wasted. Instead it is bottled or canned separately. Consequently a number of manufacturing, distributing, and marketing problems have arisen. Because the tomato cocktail or pick-me-up is so popular a marked increase has taken place in the total consumption of tomatoes. Tomato juice is now preserved separately from the pulp or whole tomatoes. Sometimes culls are used solely to make tomato juice. What formerly was wasted or considered a nuisance now constitutes a major product. The same is true, though to a lesser extent, of sauerkraut juice.

New uses are constantly being found for casein, the chemical compound precipitated on the walls of milk cans, as well as more efficient methods of obtaining and utilizing it. Recently a continuous method has been developed for obtaining standardized casein, which finds a big demand in the paper-making industry. By means of this improved process it is possible for one man to isolate, wash, and drain casein from between 300 to 400 cans per hour. As the sales cost goes down bigger opportunities present themselves for the use of casein,

IT HAS BEEN truthfully said that competition is met outside the plant, but licked inside the plant. The profits of tomorrow will go to the plant that can cut its production and distribution costs, rather than to the one that can build output. For many manufacturers the biggest hope for profit lies in utilizing products now allowed to go to waste.

Instances abound where a by- or end-product has ultimately developed into a major line of manufacture. The percentage of profit, though not the total amount of profit, exceeds the percentage earned on the original commodity. For the time being the day of increasing volume has disappeared. Consequently greater diversity of manufacture by

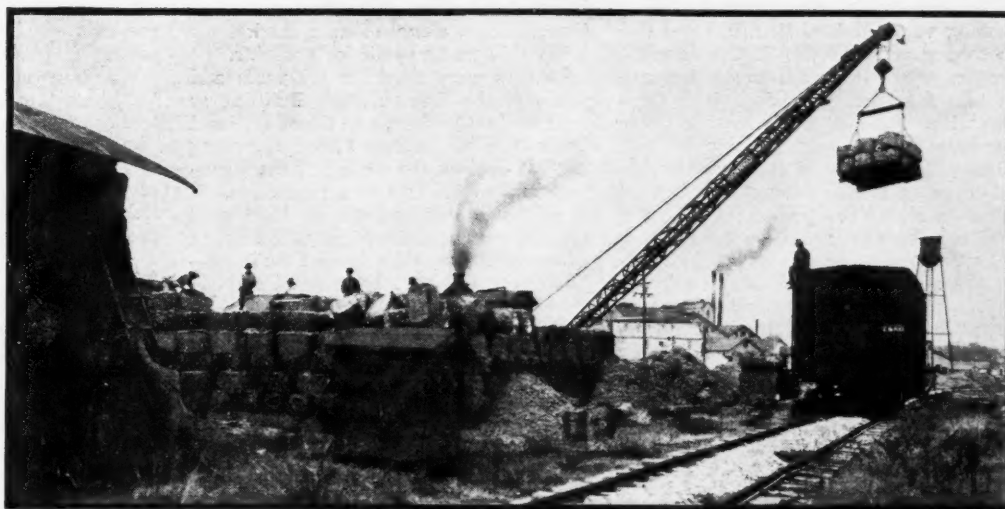
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A NEW INDUSTRY arose when research showed how to convert the crushed stalks of sugar cane into celotex, the wall-board.

© Publishers Photo Service



so bringing added return from the end-product of the dairy industry. Casein is the basis of many of the gaudy-colored buttons and toilet sets one sees today.

MORE AND MORE attention is being given to using wood waste. While the fuel value of wood waste hardly exceeds from \$1 to \$1.25 a ton, the value when converted into certain wood products is from fifteen to twenty times as great. It is estimated that in Virginia alone 28,000 carloads of such wood waste is available annually, while in North Carolina the waste wood amounts to 32,000 carloads. Use of wood flour for manufacturing various articles including phenol-resin products, dynamite cartridges, and linoleum is reported to have increased consumption of from 7000 tons in 1924 to 40,000 tons in 1928. In this later year 14,490,401 pounds of wood flour, having a value of \$94,723 was imported—although many American operators are spending money to dispose of sawdust shavings which could be converted into wood flour equal in every way to the foreign product. The wood

of maple, white birch, basswood and ash should be capable of producing a good grade of wood flour, since they are devoid of resin and have the necessary light color. The woods mainly available in this country for high-grade wood flours, however, are the firs, spruces, and pines.

According to the National Committee of Wood Utilization, more than four billion feet of lumber that goes into box and crate construction each year is available for re-use. If suitable, this wood would be sufficient to provide homes for a city of 2,000,000 people.

Cork is finding an increasing use, not only in stoppers of bottles but for sound-deadening purposes, heat insulation, and acoustic applications. In consequence, a large amount of waste cork is available. These small pieces of cork, held together by a suitable binder, are being used in endless ways, for insoles of shoes, for cork buffing and grinding wheels, for linoleum, sound-deadening brick, gaskets, and seals. And this is also true to a lesser extent of sawdust and leather.

Satisfactory building brick is now being made from the slag of the steel mill

which is also being used to an increasing extent for cement, and for a heat-insulating material subject to high temperatures. A more recent insulating material is being made from refuse glass—it is known as glass wool—which after treatment provides a long, uniformly small diameter having a white, silky appearance and a high insulating value. Large metal stamping plants consuming considerable quantities of sheet metal are able to sell the scrap in carload lots to the manufacturers of metal toys and similar products.

Strange, far-reaching developments are taking place in the use of fuels formerly wasted or derived from hitherto neglected substances. This not only means conservation of natural resources, but that production costs can be lessened by the sale of by-products.

Natural gas, the most spectacular of the country's fuels, is purely a waste product. Only seven years ago one of the foremost combustion engineers in the country stated that in his opinion, within five years the supply of natural gas would be a matter of history. Yet within the last three or four years some 80,000 miles of trunk natural gas lines have sprung up throughout the United States, tying up oil wells with industrial markets much as electric transmission lines do. Operating pressures are up to 600 pounds giving a flow of 200,000,000 cubic feet a day through single lines. One field in Texas alone furnishes 100,000,000 cubic feet a day, and has a capacity, it is estimated, for 300 years. Is it any wonder that the coal industry feels the competition? It also explains why the so-called gasoline price wars can persist for weeks at a time. The sale of natural gas represents a profitable revenue, serving much the same purpose for the oil producers that the by-products from the slaughter houses provide for the packers. Consumption of natural gas increased more than 21 per cent. during 1929 as compared with 1928.

ENCOURAGING the farmer to sell a waste product—cornstalks. This machine husks, shreds, and bales corn in one operation.



By C. P. Cushing, from Ewing Galloway

As a by-product in the manufacture of natural gas has come propane and butane, although considerable quantities are also produced during the cracking operations in the refinery of gases. Butane has a heating value of 3200 B. t. u. per cubic foot compared with 530 B. t. u. in ordinary city gas. It has the great advantage in that it is non-poisonous. It is non-corrosive, and its explosive rays are comparatively narrow. Butane boils at 26 deg. F. at atmospheric pressure, so that at normal temperatures and increased pressures it may be liquefied. When pressure is released it again becomes gas.

Consequently butane is being transported, stored, handled in tank cars, cylinders, and tank wagons. It is used as vapor in standard gas burners when allowed to discharge from the storage tanks. Because of its high heat content, freedom from corrosion, and almost ideal combustion characteristics, it promises to work revolutionary changes in the use of gas in farm communities where gas supply mains are not practical because of the first cost. All that is required is to connect up cylinders of liquid gas to the plant, farm or domestic source of consumption, the gas being ignited and controlled in the manner of ordinary gas.

Use of propane and butane also has the advantage that no particular safety measures are required. The investment in plant and operating charges are low. Since the gas can be sold at a given price per tank or cylinder, the investment and problems involved in metering, line condensation and control are eliminated. Manufacturers of gas already look upon liquefied petroleum gases as a serious competitor.

As used at the present time, cylinders contain from 40 to 100 pounds, and tank cars have a capacity of 10,000 pounds. It has been asserted that if only 10 per cent. of the potential market of 13,000,000 families now unable to take advantage of ordinary gas were served by means of these liquefied gases, the yearly retail fuel value would be \$70,000,000.

BEE-HIVE COKE OVENS are no longer being built in this country. Instead, by-product coke plants located close to steel mills, gas works, central stations, and other heavy consumers of gas collect the gas evolved in the making of coke. They sell it as gas or use it as the raw material of an almost endless variety of products. This practice is not new. It is more than twenty years old. But it represents the complete abandonment of one process for another.

Even ashes are being turned into assets in some of our industrial centers. Both bituminous and anthracite cinders are satisfactory for making cinder concrete. This young industry, which is built up strictly from the use of a waste product—cinders—is now using some 500,000,000 cinder bricks each year, and millions of feet of fireproof cinder cement are being put down in short-span construction. Specifications for cinders are not severe. During normal business activity, bulk cinders used in monolithic work bring as high as \$2.50 a yard, delivered. At the average purchase price for cinders, many plants are showing a saving of about 50 cents per ton of coal burned.

One large rubber company marketing its cinders received \$5,000 from this source in 1930. The radius for delivery of cinders for construction purposes seems to be about 250 miles. It has been estimated that Chicago, alone, offers a market for \$10,000,000 worth of cinder products.

Cinders were used for the walls and floors of the Empire State Building as well as the Chrysler, and Chase National Bank buildings in New York City, saving a great deal on the weight of the structure and so the cost of construction. It is estimated that had cinders been used for fireproofing at the Mercantile Mart in Chicago—the world's largest building—\$400,000 would have been saved on construction costs.

Bubbles rising from swamps or from the bottoms of ponds and lakes due to the presence of large masses of organic matter have been used for gas from as far back as 1897. Then, in a leper colony in Bombay, India, the gas was collected and used to drive gas engines. Shortly after this time waste-disposal tanks at Exeter, England, were equipped with gas collectors, and the gas was used for heating and lighting at the disposal works. In 1911 Australia utilized biological decomposition of municipal wastes for gas purposes. About 1927 the sludge reduction tanks at Decatur, Illinois, were producing 200,000 cubic feet of gas a day the high yield being mainly due to the considerable amount of waste from the starch works which is discharged into the city's drainage system. Decatur's yield is now about 124,000 cubic feet of gas per day.

From 5 to 10 cubic feet of gas are obtainable per pound of cornstalks. This means that a ton of cornstalks will furnish gas to some 400 to 600 people for one day on the basis of 25 cubic feet a day per capita. An area of an eight-mile radius will produce enough cornstalks to supply a city of 80,000 inhabitants with gas continually, where 30 per cent. of the land is planted with corn. This means that one acre of land planted to corn will produce enough gas for one person for one year.

In connection with the utilization of waste in this way it is interesting to note that the pith and finer fibres of the cornstalk are digested first, leaving behind that portion which is most valuable for paper making. This is a real advantage, of course, since removal of the pith has been one of the most serious handicaps in the manufacture of cornstalk paper, mitigating the profitable carrying on of this process. Another advantage of removing the pith is that the volume per pound is decreased 25 to 30 per cent. As the residue is the most desirable portion of the stalk for the manufacture of wall board and paper, the anaerobic fermentation by which it is profitable to manufacture gas also provides an almost ideal process for the economical preparation of fiber for subsequent use in the manufacture of wall board and paper.

Relatively few manufacturers yet realize the enormous possibilities that exist to save power and cut fuel costs by utilizing waste heat to produce by-product power. Many manufacturers are needlessly wasting 60 to 70 per cent. of their heat by allowing it to go to waste,

when they could put it to work easily.

Finding new uses for waste products and new markets for primary commodities through research is industry's greatest need today. The magnitude of the possibilities is colossal. Many plants are paying dividends out of wastes put to use. Many plants are "running on the leavings". Many waste products of yesterday are the major products of today. The keener the competition, the narrower the market, the smaller the margin of profit, the greater the urge and the richer the promise of changing the waste products into useful commodities.

You Can Lower Fire Losses

"IF THE PAYMENT of fire losses could be made as spectacular as the fires themselves," said a fire adjuster recently, "and if everyone could realize that the fire loss for 1930 represented a tax of \$4.16 per capita, the fire loss could be cut in half."

According to the National Board of Fire Underwriters, the fire loss during 1930 was \$32,234,716 more than for 1929. The entire fire loss, figuring the cost of upkeep of fire hydrant, fighting apparatus and organizations, is estimated to be \$1,112,000,000. Last year 10,217 deaths were caused by fires! Twenty-four per cent. were the results of misuse of inflammable liquid, and 21 per cent. from fires ignited by open flames.

Fire losses always show a marked increase during a business depression. During the first five months of 1930, when the country was going through what was then thought to be the worst part of the depression, and the worst depression since 1921, fire losses had already increased \$14,000,000. During hard times business men let down on their alertness against fires. They reduce the number of watchmen, and are careless about allowing dirt, rubbish, and waste to collect. They forget to take precautions and let down on inspection. Fire-fighting equipment is not maintained in first-class condition. When business is good and profits are running high, greater attention is paid to fire-prevention, so that the organization may remain in business.

Unscrupulous men sometimes resort to incendiarism as the easiest way out of business losses. During 1930 there were 1311 arrests on charges of incendiarism as contrasted with 802 during 1929; 401 convictions last year against 313 in 1929, showing an increase of 66 per cent. in arrests and 20 per cent. in convictions.

Meanwhile, money is cheap. Improvement by the adoption of a sprinkler system, the use of non-combustible materials and close adherence to building codes and the requirements of the various insurance interests constitute a good investment. Insurance premiums are based upon the hazards and the savings in annual premiums will go a long way toward paying for the necessary fire-preventive measures. How much more are you paying for insurance protection than you would if you made the improvements and carried out the suggestions of your insurance inspectors?

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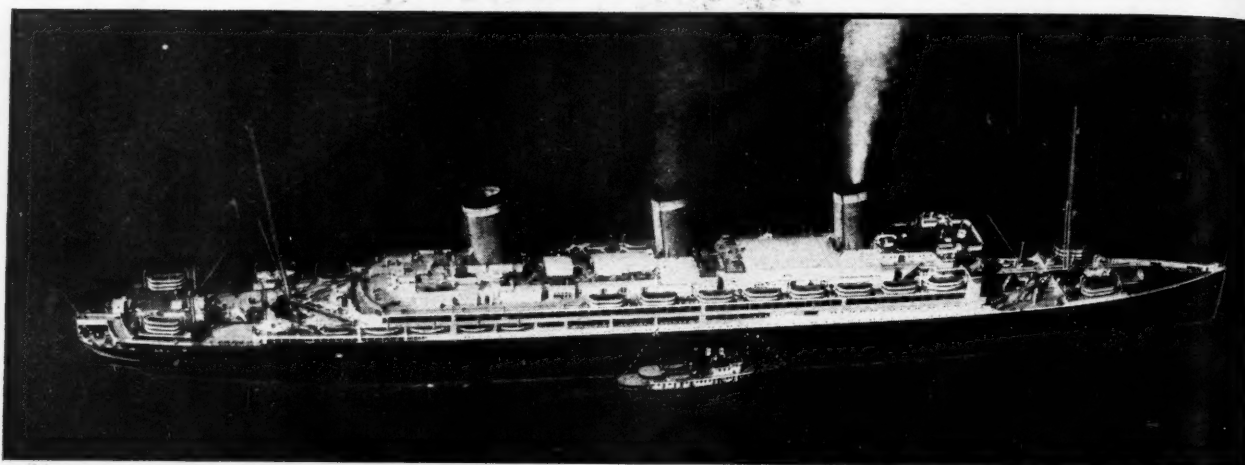
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AN UNUSUAL shot of the S.S. Leviathan from the air.

Once more the Shipping Board has had to offer

American Ships for Sale

By KATHERINE M. PALMER



THE UNITED STATES Shipping Board has held another auction. Not that this is anything new. The Shipping Board has held auctions periodically ever since the close of the War, when it was instructed by Congress to convert the emergency fleet, built to the tune of three billion dollars of taxpayers' money, into a privately operated American Merchant Marine. There was one unique feature about the present sale, however. The same ships, those of the United States Line and the American Merchant Line, which were sold to Paul W. Chapman for \$16,300,000 in 1929, were on sale again. And paradoxical as it may seem, Mr. Chapman himself was one of the two bidders.

The Shipping Board was puzzled. The bidders were keen. But the third interested party, the American citizen, was strangely indifferent, as if it were not his dollars financing the whole affair. In part it is this apathy of the public which made it necessary to put the United States Line on the auction block once more, and to retire two ships which are still in good condition.

Americans make up about 80 per cent. of the Atlantic tourist trade, and they ship millions of dollars worth of raw materials and manufactured goods abroad each year. But travelers and merchants

have not waked up to the fact that there is an American merchant marine; that they paid for it heavily during the War; that they are still paying for it; and that if they do not patronize American ships and back the efforts of their government to create a better and larger merchant marine, they will double their expenditures in event of another war.

There was a time in our history when every citizen was proud of America's sea-power. In colonial days and shortly after the Revolution shipbuilding was one of the chief industries in New England. American captains, sailors, and explorers were known to be among the finest and most fearless on the seven seas. They sailed swift Yankee clippers into every port, and piled up fortunes for themselves and their partners.

It was at least partly due to the enterprise of American seamen that the United States expanded westward. Packet ships and clippers rounded Cape Horn, sailed up the west coast of the Americas, and traded with settlers and natives. While British shipyards experimented with iron ships and steam engines, Americans turned their attention to the development of the West. For some time Yankee skippers struggled bitterly to keep the Atlantic speed record for their wooden sailing ships. But eventually steam and iron were bound to oust the picturesque clipper from the race. By the middle of the nineteenth century railroads and factories absorbed American interest. And with the end of the Civil War little was left of the once glorious merchant marine. From time to time feeble efforts were made to reawaken enthusiasm, to stir Americans

to recapture their lost prestige. But the public could not be roused. It placidly accepted the theory that foreigners are better sailors and builders of ships than Americans.

WHEN THE WORLD WAR broke out in 1914 the United States depended on foreign vessels to transport nine-tenths of her products. Then came the predicament. French, German, and British ships were drafted into war service, leaving American merchants high and dry. Here were quantities of goods, for which Europe clamored, and no means of getting them to market. Shipbuilding boomed. Americans had been out of the business on a large scale for so long that their first efforts were awkward. Inflated prices, hasty construction, and mistakes heaped up costs. Congress paid more than three billions to create a merchant marine. German ships were interned, camouflaged, and put into service. But in the end a large proportion of American troops had to be transported in British ships.

After the Armistice Uncle Sam found himself in possession of more than 2500 vessels, many of them obsolete in style and expensive in upkeep. Row upon row of great iron hulks were anchored in the Hudson and other waters, to rust. The Shipping Board sold some for scrap; those which could be conditioned were put into service, and the United States went into the shipping business. Lines were established in all parts of the world and periodically one or more of these was sold, usually at bargain rates, to a company which promised to operate

Continued on page 95

SOLD!

T. V. O'Connor, chairman of the U. S. Shipping Board (left) and Paul W. Chapman, signing a contract in 1929 for purchase of the United States Lines. This summer the ships were auctioned off again; but Mr. Chapman is still owner under a new contract.



according to certain specifications

After all its expenditures Congress discovered that the new American merchant marine was far outclassed by those of foreign countries. To guard against the repetition of our war experience, it was determined to promote American shipping by subsidy. Liberal loans were offered to companies which would operate and build ships which could be converted into war service in an emergency. A construction fund, not to exceed \$250,000,000, was provided by the Jones-White Act of 1928. From this companies may borrow up to 75 per cent. on the construction costs of ships for foreign service, or 50 per cent. on those for coastwise service. The interest is set at 3½ per cent. and the loan must be paid back in equal installments over a period of twenty years. To protect the government interest, the Shipping Board holds mortgages on the ships until the loan is paid. Also the Government has the right to take over vessels in time of war.

Valuable mail contracts of ten-year duration are given to ships which operate regularly over routes mapped out by the Government. Incidentally all new ships must be designed, constructed, and in part manned by Americans. For Uncle Sam recognizes the importance of training good seamen from among his citizens. Sailors cannot be made in a day, or in a year, and if there should be another war the United States wants seamen who know their jobs, and can handle shipping problems without delay. Accordingly, the United States requires that 50 per cent. of the crew the first four years, and two-thirds after that time, shall be American citizens.

What has been the outcome of all this? Yearly Congress spends large sums of money on her merchant marine. As the Shipping Board has unloaded itself of operating lines, annual losses have diminished from \$41,000,000 in 1924, to \$11,044,000 in 1930. There has been a stir

in American shipyards as fifty-three new vessels have been contracted for under the government loan system. Among these are the *Morro Castle*, of the Ward Line, the *Excalibur* of the American Export Line, the *Santa Clara* of the Grace Line, and the Dollar Line's *President Hoover* and *President Coolidge*—all of these completed. A number of lines operate successfully under the American flag, and it is estimated that thirty-four per cent. of American goods is now carried in American ships—a marked improvement over 1914. Why then the difficulties of the United States Line, and the present auction?

WHEN MR. CHAPMAN, a Chicago banker, offered the Shipping Board \$16,300,000 for the eleven ships of the United States and the American Merchant lines in 1929, he was optimistic about the future of the American merchant marine. The *Leviathan*, flagship of the line (originally the German *Vaterland*), had made a record crossing from Cherbourg to New York in 1923. During 1928 and 1929, she had carried more passengers than any other trans-Atlantic ship, and the whole line was among the most popular afloat. Mr. Chapman had interest in the Hoboken railroad, which connects with seven trunk lines. Goods shipped on this road could be unloaded at the docks in Hoboken, saving time and trucking service required by other lines. This was a unique advantage, and Mr. Chapman hoped to capitalize it. He also hoped to expedite passage from the Middle West and West, by running air lines connecting with his ships.

Unforeseen difficulties arose in the months which followed. New foreign vessels, noted for speed and luxury, were put into Atlantic service. The *Bremen*, *Europa*, *Ile de France*, *Lafayette*, *Britannic* and others drew American tourists from their own lines. Prohibition was

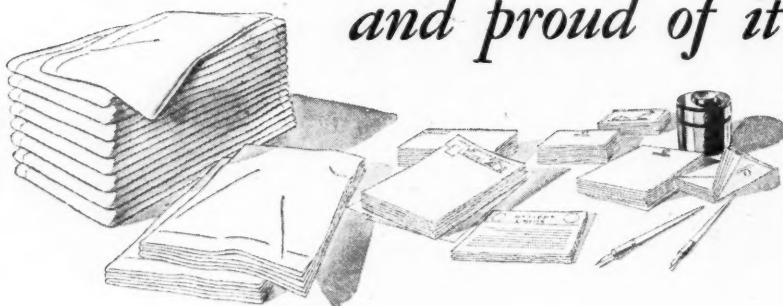
another drawback. While it is known by some tourists that American ships are wet as soon as they cross the twelve mile line, it would be untactful to advertise this fact. And traveling Americans are notably fond of their freedom from the restraint of prohibition. More disastrous to shipping interests than anything else, however, has been the depression with its cut into first-class passenger traffic. Tourist trade slackened, and the price of passage dropped about 50 per cent. on all lines. At the same time American ships are required to provide better food, quarters, and wages for seamen than are their rivals. This protection is only fair to the seamen, whose wages are notoriously low. But it keeps American operating costs high at a time when there is cutthroat competition for trade on the Atlantic.

As to the matter of subsidy, American ships have good mail contracts. There are rival lines, however, which not only have mail contracts but receive subsidy for each crossing of ships of a certain class.

Apparently foreigners consider their merchant marines of more importance than do Americans. When Germans ship goods abroad, they specify that they shall go in German ships; so also do the French, the British, and the Dutch. Italian tourists applying for passports are instructed to patronize their own lines. On the other hand, the citizen of the United States sends his goods or travels on the first ship at hand.

These are some of the reasons why Mr. Chapman has found it expensive and difficult to run American ships. Of the more than \$16,000,000 owed by his company, \$5,000,000 has been paid. Two 30,000 ton liners are under construction as agreed upon. The first will be launched in January and ready for her maiden trip in May. She will be the largest vessel ever built in America, but her speed, about 22 knots, will not al-

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HOTELS STATLER

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low her to compete with such crack steamers as the *Bremen* or the veteran *Mauretania*. She must therefore be used as a cabin ship, taking in smaller revenue, or depend on some superior quality to draw first-class tourist trade.

Meanwhile the *George Washington* and the *America*, two fine ships but not so fast or luxurious as the newer vessels, have been found too expensive to run. Realizing that Mr. Chapman contracted to pay a prosperity price for his lines in 1929, the Shipping Board has agreed to take these ships back and retire them. This brings the outstanding notes of the Chapman Company down to \$8,000,000. In July the board asked bids on these notes. Mr. Chapman, backed by Mr. R. Stanley Dollar of the Dollar Line of San Francisco, and Mr. Kenneth Dawson of Seattle, made the highest bid on the notes with certain reservations. With his new partners, with two new ships soon to take the places of old ones, and with an agreement that the *Leviathan* will not be required to make crossings as frequently as before, Mr. Chapman would like to try to operate the United States Lines successfully. But just as T. V. O'Connor, chairman of the board, was about to hand over the lines to him, a new and higher offer was made by the Roosevelt-International Mercantile Marine Company, of which Kermit Roosevelt is one of the vice-presidents. The I. M. M. is an American company which operates ships under foreign as well as the United States flag. It appeared that the Shipping Board preferred a company without foreign interests. After much consideration Mr. O'Connor announced the board's decision in favor of Mr. Chapman, and ordered that another contract be drawn up.

But whatever company undertakes to run the United States Lines, it is the American public which can guarantee success or failure. Congress believes that America needs a merchant marine for the proper expansion of her commerce, and for protection in the event of another war. The taxpayers' money is supporting the efforts of Congress and the Shipping Board. Therefore, in patronizing his own lines the American tourist and shipper is not only benefiting the operating company, but saving his own purse.

Bermuda Is in Season

JUNE LAST, newspapers from coast to coast carried the story that the motor ship *Bermuda* of the Furness Bermuda Line was burned to a crisp in Hamilton Harbor. Vainly the steamship company protested that only the top deck of the ship had been injured. The public will not be completely persuaded until the *Bermuda* appears at the docks next January, glorified and renovated. Meanwhile the line borrowed the Cunard *Franconia* to run beside the *Veendam*, borrowed from the Holland America Line, so that bi-weekly sailings to the islands would not be interrupted.

In November, however, the first of the foreign vessels will be displaced by the bigger and better *Monarch* of Bermuda,

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a 28,060 ton, turbo-electric liner which was launched six months ago at Newcastle-on-Tyne. Trial runs take place this month, and the maiden voyage to Hamilton is scheduled for Saturday, November 28. The ship is the last word in luxury, accommodates 850 first-class passengers, and features a private bath with every room.

TOURISM IS ONE of the largest and most profitable industries in Bermuda. Ever since the days when Sir George Somers, wrecked on the coral reefs which surround the islands, discovered that it was a healthful land, "full of hogs, fish, and fowl," visitors have been seeking out its shores. Today the number is estimated yearly at 30,000, most of whom are Americans. Indeed Bermuda has become so popular as a

holiday playground that there were not enough bicycles to go around among college students last Easter.

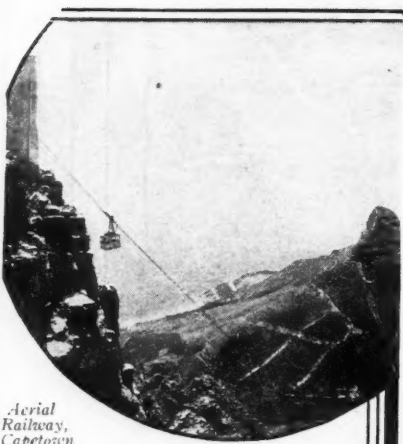
Naturally the trade has boomed during prohibition years in the United States. But once the Americans have visited the benign island colony, they return for other reasons than thirst. There is excellent golf, swimming, fishing, sailing, bathing, and bicycling. Hotel accommodations are first class. Schools are good and plentiful. Added to this is the attraction of a foreign atmosphere where bills are counted in shillings and pence, and the inhabitants out-British the British in language, tea, and sports. Even the Negroes talk with an English accent.

Best of all, Bermuda presents a leisurely quiet which can be obtained only in a place free from motor traffic. There are no automobiles, street-cars, or rail-

roads. Coral rock roads meander in and out among the little hills and along the shores. They terminate in bridges connecting with similar roads on the next island. Over these the rubber tired carriages and bicycles roll like baby coaches, and the horse and donkey are in high repute.

But Bermuda has considerable trade other than tourist. Its farm produce, potatoes, onions, and tomatoes, are popular in the United States. Although many commodities used by the 30,000 subjects are imported, life is easy in Bermuda. Lemons and oranges grow wild and there is plenty of cedar wood and coral rock for building materials. The Bermudan has only to scrape the surface earth off his lot, draw the foundation of his house, and chop out squares of the soft white coral, which harden on exposure to the

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(above)
Zimbabwe
Ruins

(below)
Capetown
Theatre



sun and air. By the time he has excavated his cellar, he has building material enough for his walls, and the floors and roof may be made from cedar. The white cottages surrounded by their bright flower gardens and tropical trees, with the indigo sea always in the background, present a picturesque scene.

The islands are green, although there are no fresh water wells or streams. The rain is sufficient to water the gardens, and the inhabitants catch rain water in tanks and use it for drinking.

Besides the eternal summer climate and natural wonders, the islands are famous as a British naval outpost. On Ireland island is an important naval and coaling station. The headlands bristle with forts, and naval men are conspicuous. With Nova Scotia on the North and Bermuda on the South, British interests in America are well protected.

While the little colony is only twenty square miles in area, it is of sufficient importance to warrant the visit of royalty from time to time. The latest inspection was by the Prince of Wales, who stopped at Bermuda on his way to the trade fair in Argentina last March.

Around-the-World

THE SEASON of round-the-world cruises is at hand, and despite the depression shipping companies and agencies offer an alluring array of programs. There are ten actual world cruises, besides a number of possibilities for independent travel. Prices range from \$7 to \$99 a day, and the time from three to five months.

The season opens November 12 with the first of five world cruises under the direction of James Boring, Inc. Mr. Boring uses the liners of the Dollar Steamship Company, which has introduced two new motor ships into its service this fall. These, the *President Hoover* and the *President Coolidge*, will accommodate cruises one and four.

The first three cruises are run at two week intervals, then a lapse until January 7, and the final cruise on January 21. Passengers may sail from New York, San Francisco, or Seattle, westward. They may start on one cruise, spend two weeks or a month in some favorite place en route, and join the next round-the-world Boring party. Although itineraries differ somewhat, emphasis is laid on the countries east of Suez, because these lands are least familiar to tourists.

The Canadian Pacific holds that the West to East route is more pleasing to the traveler and sends the *Empress of Britain* southeast from New York on December 3. The *Empress* is the largest cruising ship in the world, and is fitted with every luxury for travel. She skirts the Riviera during early winter, spends Christmas in the Holy Land, and arrives in the Northeast in time to enjoy the cherry blossoms of Japan.

Probably the most startling innovation of the season is the Holland-America's cruise to the Antarctic. On December 15 the *Volendam* leaves New York, sails southwest through the Panama Canal, touches the Society Islands in the Pacific, and Auckland, New Zealand.

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"THE INSULL GROUP OF PUBLIC UTILITY (69) PROPERTIES"—a booklet explaining the formation of these two new investment companies, including a description of the operating properties of each. Insull Utility Investments, Inc.: Corporation Securities Company of Chicago, 72 West Adams Street, Chicago.

"FEDERAL LAND BANK BONDS." A new (29) booklet containing a review and study of the present economic status of the Land Banks together with an important legal opinion rendered by New York attorneys and a supporting letter from the Federal Farm Loan Bureau at Washington. The National City Company, 55 Wall Street, New York.

"UTILITY PREFERRED STOCKS"—An informative and interesting analysis of (31) the advantages offered by Preferred Stocks in general and Utility Preferred Stocks in particular, showing present high yields and other advantages. G. L. Ohrstrom & Company, Inc., 36 Wall St., New York.

STOCK AND BOND REGISTER. A record for (53) listing the important features of each security which is held by investors. Offered by Otis & Company, 216 Superior Street, N.E., Cleveland, Ohio.

"WHAT RICH MEN KNOW"—A booklet of (71) interesting facts about investments in first-rank common stocks and describing 20th Century Fixed Trust Shares. Address 20th Century Depositor Corporation, 11 Broadway, New York.

"INVESTMENTS THAT ENDURE." Utility Securities Company, 230 So. La Salle St., Chicago, Ill., describes the various securities which are offered by the public utility interests which this company serves.

"RELIABLE INVESTMENT COUNSEL—HOW TO (62) CHOOSE." A 32-page booklet for investors: helpful, informative. Address R. E. Wilsey & Co., 1225 State Bank Bldg., Chicago, Ill.

From there she sails due south to the Ross Sea, arriving in the Antarctic in the season of the South Polar midnight sun. On the trip the tourist has a chance to see the magnificent scenery of the frozen South, the Bay of Whales and Little America, familiar to him since the Byrd Expedition, and the penguin, seal, and whale in their native habitat.

The *Volendam* returns via Australia, the Dutch East Indies, and the Mediterranean, omitting north China and Japan.

There are several cruises besides the Boring, which are scheduled to start in January. The Hamburg-American sends out the *Resolute* on a five-month comprehensive tour of the East. This cruise has been selected for the second semester of the Floating University. Of equal duration is the cruise of the *Franconia*, which sails under Cunard-Cook auspices. Beside the regular itinerary, the *Franconia* offers the largest number of extra side trips in which the passengers may indulge. As a grand climax, after enjoying the beauties of a Japanese spring, they may make a direct return to Europe over the Trans-Siberian railroad. This journey of twenty days offers scenery and spectacles of unusual interest.

Last, but not least, Raymond-Whitcomb launches the exclusive *Stella Polaris* on her route to the South Sea Islands and round-the-world. The *Stella Polaris* is a graceful 6000-ton cruiser used for *de luxe* North Cape travel in the summer season. Her capacity is 198 passengers, so that sailings are more like yachting parties than ocean voyages. Her route goes southwestward, following the romantic path of explorers and whalers of the last century, and she anchors in ports of the Society, Fiji, and Samoan Islands, as well as the most colorful of southern Oriental harbors. Although the tour emphasizes the exotic and unknown, it will not be lacking in refined entertainment. Twenty-one golf courses will be visited *en route*, two-thirds of them lying east of Suez.

One of the interesting announcements of independent travel arrangements is made by the Cunard and Japan Mail companies acting together. Individuals wishing to go around-the-world, by the eastward or westward route, and during any season of the year, have only to apply at the offices of one or the other companies to make arrangements. These two steamship lines have such complete services in the East and West, that they are able to make up a schedule and quote prices to the most exacting and erratic travelers.

Travel Sidelights

TRAVEL INTEREST in New Zealand has increased to such an extent that the Matson Navigation Company has revised schedules to include stops at Auckland. The regular Australia-South Seas service now runs to Hawaii, Pago Pago, American Samoa, Suva in the Fiji Islands, Auckland, and Sydney, Australia, and return.

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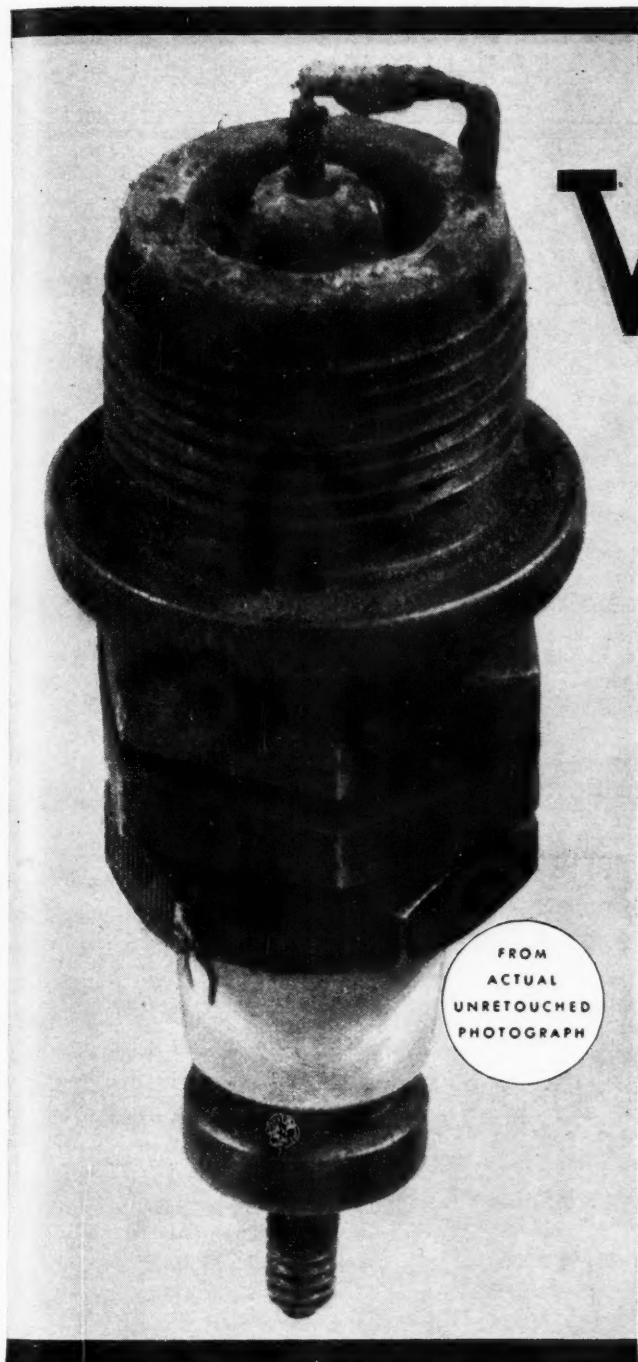
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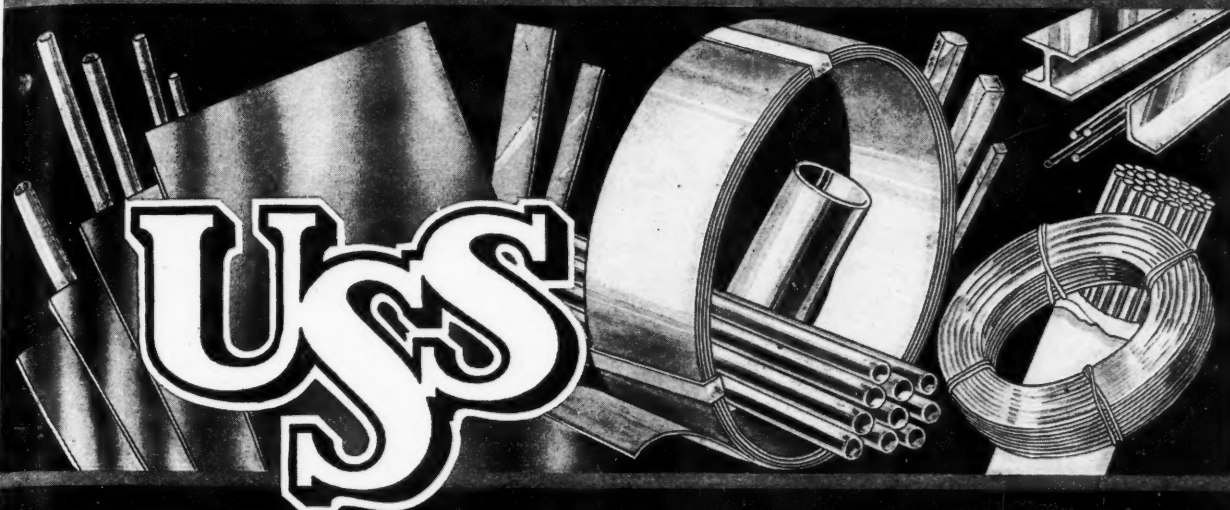
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Our Authors

HAROLD SIDNEY HARMSWORTH, Viscount Rothermere, is the younger brother of the late Lord Northcliffe, and like him a prominent British newspaper publisher. At twenty-one he entered his brother's publishing firm, and in succeeding years helped develop and organize the growing business. On the death of Lord Northcliffe in 1922 Viscount Rothermere bought control of the *Daily Mail*, his brother's favorite paper, as well as of other large newspaper properties. Viscount Rothermere is known for his generosity to educational institutions.

• • ANTHONY ANABLE, who writes in this issue on gold, had a grandfather among the forty-niners, who became owner and successful operator of a gold mine in California. Mr. Anable himself was born and brought up in New York City, after which he received his engineering education at the Massachusetts Institute of Technology. Now he is associated with Dr. John Van Nostrand Dorr, metallurgical engineer of New York, whose refinements in the processes of extracting gold from ore are widely used today.

• • ELMER ELLSWORTH BROWN has been Chancellor of New York University since 1911. Although born in New York state, he went west for his education and his early teaching experience. A graduate of the Illinois State Normal School in 1881, he received his A.B. degree from the University of Michigan eight years later, and then went to Germany for a Ph.D. from the University of Halle. Dr. Brown was a school principal and Y. M. C. A. secretary in Michigan and Illinois, then professor of teaching at the University of Michigan. In 1906 he was appointed United States Commissioner of Education, and at the expiration of his service there assumed his present post.

• • EDWARD M. BARROWS is a former newspaper man and research worker. After graduation from the University of Wisconsin he studied sociology and social work in New York. Then came four years of newspaper work, and a varied career, chiefly in social studies and social enterprises.

• • BURDETTE GIBSON LEWIS is a statistician and economist. Born in Pennsylvania, he was educated at the University of Nebraska and did graduate work at Wisconsin and Cornell. He has been a member of the Interstate Commerce Commission, assistant to the President of the Board of Aldermen in New York City, Commissioner of Correction there, and State Commissioner of Institutions and Agencies of New Jersey. It was in connection with prison work in New Jersey that Mr. Lewis became acquainted with Senator Morrow, of whom he writes in this issue. Mr. Lewis is at present vice-president of the J. C. Penney-Gwinn Corporation, an extensive agricultural development in Florida.

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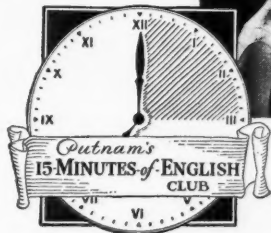
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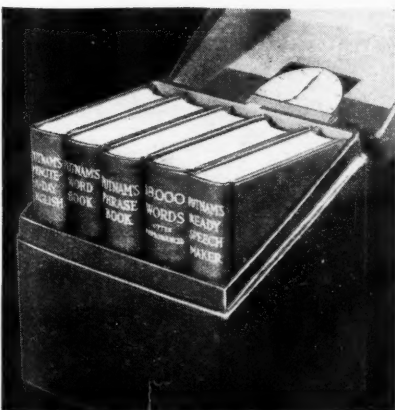
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Horrors of War

They That Take the Sword, by Esmé Wingfield-Stratford. Morrow, 424 pp. \$4.

"THEY THAT TAKE THE SWORD," in the opinion of this reviewer, is the book of the month. Anyone who will take the time to read it through—it is long—should find it an even stronger testament to the futile atrocity of war than "Lay Down Your Arms," by Baroness von Suttner, or "All Quiet," by Remarque. It is a philosophical and historical treatise which traces conflict from primeval sources down to the present, written in the scholarly fair-minded British spirit. The author's erudition is astonishing, and his humanitarianism is inspiring.

The cave man, it seems, was peaceable; for mankind, along with the other apes, is not combative by nature. But duelling, family blood feuds, sectional and international strife arose to the detriment of all concerned. Duel and feud have largely disappeared, but organized war remains to be reckoned with. Military men are not men of genius. History has proved that the professional military mind is often a case of arrested development. The militant Spartans of antiquity, among other hard-boiled castes, appear to have been a race of morons characterized by bulldog stupidity. Of the dull Prussian Junker class, founded on force and instrumental to a stupid World War, the author has a like opinion. The ancient Chinese and the cultured princes of Renaissance Italy were unique in that they despised warfare and hired professional experts to do their dirty work with the least possible bloodshed—a worthy idealogy.

The French Revolution put war back upon a national basis of sadistic service; and the World War, through air raids, submarines, and hunger blockades, brought it home to every element of the population. War, with its attendant atrocities, must be checked. Heroism may as well be exhibited in the service of peace. The League of Nations is doing a splendid work, but lacks emotional appeal to men of all the nations. What mankind needs, perhaps, is a spiritual reawakening not unlike that of primitive

Christianity; to reënforce the League and give its mechanism a breathing, living soul. "Civilization may be destroyed. Civilization must be saved. Who will help?"

Mr. Wingfield-Stratford knows his subject well, for he is the son of a distinguished British General. Author of several previously important works, his

drawn from aristocratic untitled families who had amassed fortunes through trade. Yet there was complete social democracy for the proletarian population, with religious freedom, no feudal obligations, and the famous Inquisition to protect the commoner from aristocratic aggression. The people were actually freer than their proud oligarchs.

War between Austria and the French Jacobins found Venice an unarmed decadent neutral whose territory was quickly invaded. Unlike Belgium in 1914, the Venetians failed to resist; but they refused no less than four offers of alliance from an irate Napoleon. Finally in 1797, at the peace of Campo Formio, Venice was given to a defeated Austria to compensate for losses elsewhere. She remained Austrian till 1866, when Bismarck restored the city to the new United Italy. Dr. McClellan, an authority on things Venetian, has done his work with historic authenticity and enjoyable color. Napoleon, executioner of the piece, he treats with perfect fairness.

From Spa to Holland

The Fall of the Kaiser, by Maurice Baumont, Knopf, 256 pp. \$2.75.

AN ACCOMPLISHED French writer, M. Baumont, has written a scrupulously objective little history of the last days of Hohenzollerns on the German throne. General misconceptions have sprung

up in connection with William II's Dutch departure, and the accurate, unvarnished tale is here set forth for the historical-minded.

Woodrow Wilson, in his peace offers, made it clear that he would have no dealings with the contemporary Hohenzollerns; and this made the German people feel that their dynasty was needlessly prolonging the War. There was no personal animosity toward William. Then came endless bickerings as to abdication, held by the politicians at Berlin and by the officers at Spa Headquarters in Belgium. Prince Max of Baden, last-minute Imperial Chancellor; General Groener, successor to Ludendorff as Quartermaster General; and the Socialist Ebert, later to be first President of the Reich, were the outstanding figures. They played creditable parts. Groener, today



From *One Hundred Cartoons*, by Cesare (Small, Maynard) "Spring, 1915." A cartoon of the World War.

new book has received the attention and approval of Captain B. H. Liddell Hart, Europe's foremost military critic. Perhaps it takes military experts to convict military experts.

Napoleon in Italy

Venice and Bonaparte, by George B. McClellan, Princeton University Press, 307 pp. \$3.50.

TWO PROMINENT European republics antedated the little United States of 1776—Holland and the city state of Venice. Both perished in the tangle of the French revolutionary wars, but both are worthy of honored memory. Venice, though republican, was far from democratic. It was ruled by an unlimited oligarchy,

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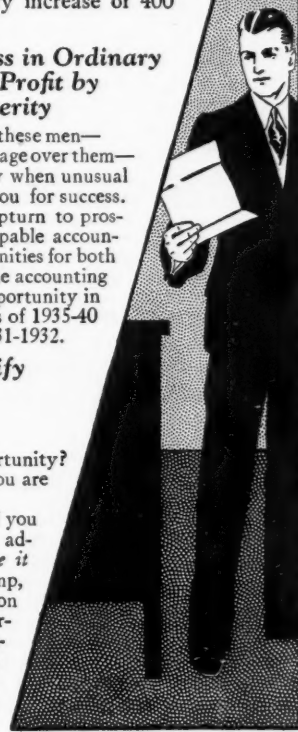
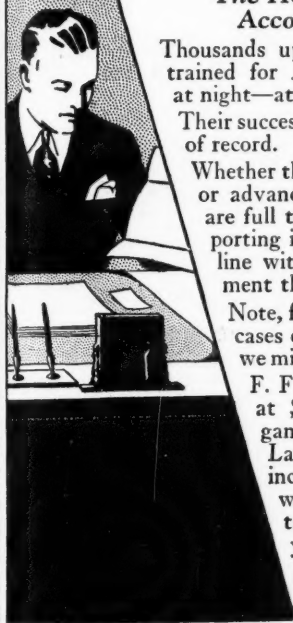
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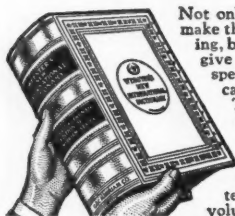
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head of the German regular army, was a stalwart Wuerttembergier who freely spoke his mind to the procrastinating Prussian Kaiser. Then Prince Max announced the Kaiser's abdication *without* imperial consent, in the hope of preserving the dynasty under a regency. It was too late, for Socialism had announced the Republic.

There was talk of the Kaiser leading his troops back from the Western Front, to suppress the revolutionists. But the troops themselves had become infected with the revolutionary virus, and William dreaded civil war. Had not his cousin Nicholas of Russia perished but a few months previously? Even the headquarters garrison at Spa—5000 men and 500 officers—organized a Red Soldiers' Council; and a picked Jaeger division, brought home from Finland, mutinied in distraught Berlin. Suicide, death at the front, or flight were the alternatives. Hindenburg, the generalissimo, and other faithful officers advised asylum in Holland. November 9, 1918, marked the end of the controversy. Had William abdicated earlier, his grandson would probably be Kaiser today—as Prince Max hoped.

The Other Americas

America Hispana, by Waldo Frank. Scribners, 388 pp. \$3.50.

WALDO FRANK is a journalist of note, and lecturer upon artistic and literary subjects. Politically he is modernistic and somewhat radical. Above all, he is an objective and philosophic observer whose liberal opinions are couched in vivid, colorful style. He gets the "feel" of a country in short order. Hence he is an ideal chronicler for the Southern Americas, whose ways and doings are to him transparent. This reviewer prefers him—as interpreter of things Mexican—to either Stuart Chase or Carleton Beals.

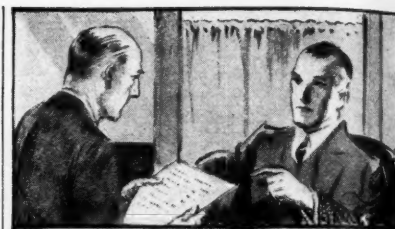
The Andes, the Pampas, the Pacific, the Forest, and the Central Sea constitute his geographical divisions; and each district he discusses in detail. Buenos Aires, in particular, becomes a literary gem under his treatment; and it is interesting to note that Portugal's colony of Brazil bore far more cultural and economic resemblance to our own Thirteen Colonies than to her Spanish-American neighbors. Of industrial Chile he paints a rather horrible picture—one of foreign exploitation. In general, it is a question of Artistic Mediaevalism versus the Protestant Machine. We favor the Machine.

Beyond Suez

The Golden East, by Sirdar Ikbal Ali Shah. Dial Press, 288 pp. \$5.00.

THE HEART OF ASIA may best be interpreted by an Asiatic, and herein lies the secret of "The Golden East." Its author is an Afghan nobleman, formerly active in his country's service and now the sponsor for much interesting information regarding Bolshevik Central Asia, India, Persia, Turkestan, Arabia, Syria, Turkey, and the problems of Islam. Better than any Westerner—Rosita

Continued on page 12



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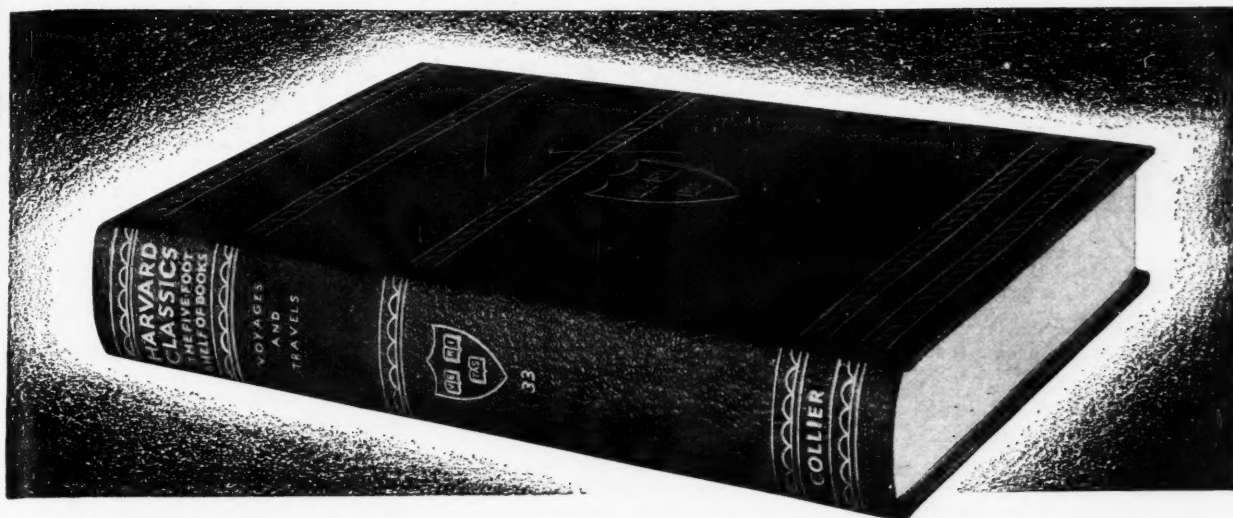


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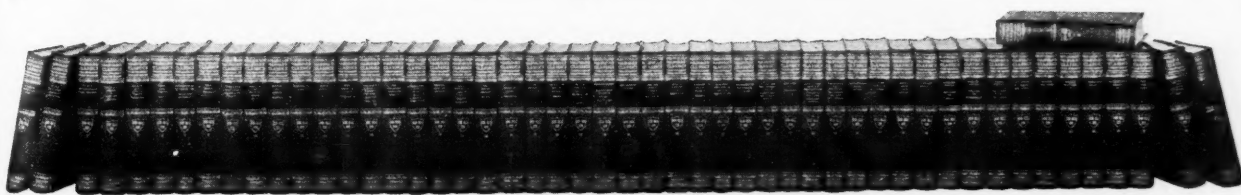
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"Oh! They're Just His Baby Teeth!" Can Congenital Syphilis Be Cured?

Is that what you think? But deciduous teeth have much to do with the stimulation of growth of the permanent teeth. Everyone who has a child should read Don C. Lyon's enlightening article, "The Care of Children's Teeth". In it he gives fifteen reasons why the teeth of the child are worth considering seriously as part of its health program.

How syphilis can be transmitted from parents to their children, how it can be cured if it does occur, and, most important of all, how it can be prevented, is told by Jessie Marshall in an article on "Congenital Syphilis". A healthy baby is worth any precaution parents may take, and the best time to cure the disease is before the baby is born.



If Your Face Is Not Your Fortune

No one can deny the importance of personal appearance in winning success in social and business life in this modern age. So it is no wonder that surgery is being used to improve facial appearance. Dr. George D. Wolf in his article on "Plastic Surgery" tells in an authoritative way some results to be achieved by competent plastic surgeons, but warns against "beauty specialists" and their promises of beauty.

Does Your Child Have Earache?

Dr. Joseph Popper, in "When Your Ear Aches", tells why children are more often affected than adults and why a well-trained physician should be consulted for earache. This article explains the two types of ear diseases which are most frequently the cause of earache.

Other Health Articles

—in the November *HYGEIA* include a variety of subjects of interest to parents and to all who value their health. "The Child and the Hospital" and "The Mischievous Child" will appeal to parents. Homemakers will find helpful suggestions in "Protecting the Family's Food Supply" and "Cheese". "Smallpox and Chickenpox" tells how children with these diseases may be cared for in the home. And "The Relation of the Blood to Health and Disease" gives helpful information. Every issue of *HYGEIA* has the same wide health appeal. It is a health magazine for everybody!

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Continued from page 8

Forbes included—he interprets what goes on behind oriental veils and silences. He is, of course, an ardent Mohammedan and therefore friendly to the Tory England of Empire. For your all-conquering Moslem military caste finds much in common with the English aristocratic ideal. In India he lauds the loyalty of the Mohammedan native princes, to whom Gandhi's Hindu nationalists are unadulterated poison. In Turkey he believes that Kemal's secular crusading cannot injure permanently the age-old prestige of Islamic institutions. Will a sort of Pan-Islam be the outcome? One wonders.

"But if there are many reasons why the Moslem East may accept the Bolshevik doctrine, those why they are unlikely to are equally cogent. In the first place, the whole philosophy of Leninism is as foreign to the spirit of Asian thought as Mormonism is to the idiosyncrasy of the home countries. Not only is the idea of kingship fixed and almost ineradicably founded in the Eastern mind, but the Leninist notions of equality commend themselves about as much to the higher castes of India, Burma, and China as the wild theories of Marat and Robespierre did to the *haut noblesse* of the France of the Revolution."

The Waning Crescent

The Partition of Turkey, 1913-1923,
by Harry N. Howard. University
of Oklahoma Press, 486 pp. \$5.00.

THIS WORK DEALS with the disintegration of the historic Ottoman Empire from the Balkan Wars until the Lausanne Conference, which revived Turkish power in its new Nationalist form. The author, professor of history at Miami University, has based his narrative upon archives and documents of all the Great Powers and some of the lesser ones. Turkey was down and out after the Balkan Wars. Then she came to life and defeated the Allies at the Dardanelles. She was down and out in 1918, but beat the bullying Greeks in 1922. Since then Kemal Pasha has consolidated around the new capital of Angora. The Sick Man of Europe appears to be convalescing. Here is a scholarly book which tells the story.

Our Native Negroes

Brown America, by Edwin R. Ebbree. Viking, 311 pp. \$2.50.

THE AMERICAN NEGRO is brown, not black; for he is the product of a fusion which embraces White European, Red Indian, and African Ebony. There are twelve million "Browns" in the United States—ten per cent. of the population—and Brown history in the Land of the Free has been a tragic one. Slavery, discrimination, and forcible miscegenation have left behind them a ghastly trail; but the Brown citizen is gradually developing as the result of vague religious gropings and indigenous artistic impulses. American song and dance motifs have received marked contributions from Mr. Jim Crow and learned European intellectuals have pronounced him

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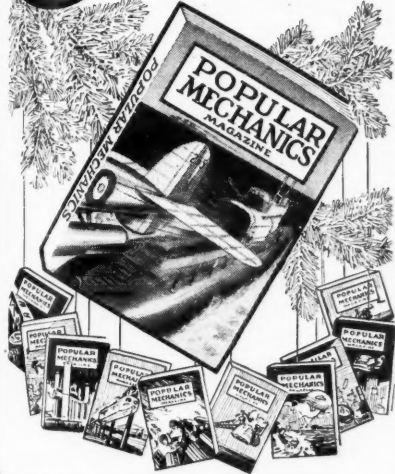
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the sole protagonist of a native American culture.

"Brown Ballots" is a chapter of unusual interest, as expounding Negro influence in politics—direct and indirect. Other chapters are economic, educational, and cultural. The author, Mr. Embree, is executive head of the Julius Rosenwald Fund, which devotes itself largely to the best interests of the Brown American. It is the third largest philanthropic fund in America.

Lynching receives a gruesome treatment which would confirm the class convictions of Soviet Russia; but the author explains that such torture was very rare in slavery days because of the commercial value of the victims. And, on the whole, spasmodic Southern welfare work is preferable to studied Northern indifference. Perhaps Southerners do understand the Negro better.

Forgotten Heroes

Native Stock, by Arthur Pound.
Macmillan, 267 pp. \$2.50.

MR. POUND, who has given us an excellent "Johnson of the Mohawks," here tells the stories of six early Americans whose lives show the rise of our national spirit. "When Pepperrell was born, the white man's America ended within fifty miles of tidewater; when Elkanah Watson died the westward surge was well under way and within ten years more American settlers reached the Pacific." The stories of this Bix Six are of fascinating interest.

William Pepperrell, John Bradstreet, Ephraim Williams, Robert Rogers, James Clinton—all were soldiers against the French, the Indians, or the British. Rogers was a sordid Tory, after a brilliant record in the earlier French wars. Williams was the founder of Williams College—to keep the Berkshire boys away from insidious Yale. Pepperrell, an early capitalist, was captor of mighty Louisbourg. Clinton was father of New York state's famous De Witt. Bradstreet was a sort of colonial Buffalo Bill. As for Elkanah Watson, he was of a different sort. A born reformer, he was a canal enthusiast, an agricultural expert, and originator reputedly of the American country fair. On his travels he had seen six monarchs, ranging from a Holy Roman Kaiser to an Onondaga sachem!

Patriot to Traitor

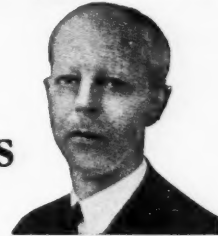
Benedict Arnold, by Oscar Sherwin. Century, 395 pp. \$4.00.

QUEBEC AND SARATOGA were two of the most contrasting actions in the American Revolution, the first proving futile and the second becoming the turning point in a monotonous struggle. In both Benedict Arnold played an heroic, vital part. The unsuccessful Canadian campaign, in particular, was a gallant forlorn hope, and its latter stages recall the Napoleonic retreat from Moscow. But the uncertain Continental Congress signally failed to appreciate Arnold's efforts, and the sensitive leader was filled with rage and resentment. Private debts contributed to his troubles, and then came

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A Young Man only six months later



Compare carefully the two pictures above. In the top picture Julius Klosterman looked his age—58 years. He had the usual complaints of ill-health that are popularly supposed to accompany old age. He walked with a cane, his body bent with arthritis. He was losing weight—no one knew better than he that he was on the down-grade.

Now look at the bottom picture of Mr. Klosterman taken only six months later. He stands straight as an arrow. There's a spring in his step, a sparkle in his eye—he's a young man again!

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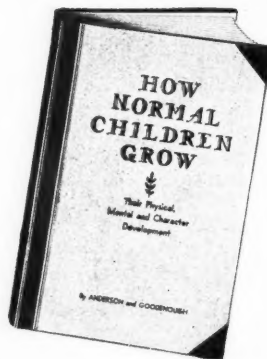
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his desertion to Great Britain. It is a sordid climax to a glorious career. Mr. Sherwin, on the whole, is sympathetic and aware of his hero's difficulties. There is much to be said for him.

Quotations and word pictures abound in this biography, giving it a vivid military character. One of the German mercenaries wrote that his fellow recruits were made up of "a runaway son of the Muses from Jena, a bankrupt tradesman from Vienna, a fringe maker from Hanover, a discharged secretary from the post-office at Gotha, a monk from Wurzburg, an upper steward from Meningen, a Prussian sergeant of Hussars, and a cashiered Hessian major." The Canadians were French-speaking; the Indians highly unreliable. Of such were His Majesty's forces in America. As for the British General Staff—they held gilded tea-drinking tournaments in fashionable Philadelphia. Washington must have grinned sardonically.

Capitalistic Founder

Washington as a Business Man,
by Halstead L. Riter. Sears, 308
pp. \$3.50.

GEORGE WASHINGTON was more than a general, a statesman, and an engineer. He was a very practical, far-sighted business man, according to Judge Ritter, who indicates that the Father of his Country was also the Father of American Big Business. For Washington was an able agricultural magnate, an operator of cotton mills, of tobacco plants, of iron foundries. He organized an inland-waterway company, and was director in several land companies whose purpose was the preparation of American farms. In short, he was a pioneer capitalist whose activities antedated the Sherman Anti-Trust Law and the maledictions of William Jennings Bryan. Here is a new and authentic interpretation of a familiar figure, keyed to the tempo of our economic today. A legal light, of the United States District Court of Florida, has hereby proved himself an able and entertaining biographer. His contribution is a valuable one.

Forty-one Farmers

Men of Earth, by Russell Lord.
Longmans Green, 298 pp. \$3.00.

HERE ARE the lives of forty-one farmers, outlined by one who knows. Their varying backgrounds, their methods, their bucolic psychology are vividly analyzed by Mr. Lord, himself raised on a Maryland farm and educated in agriculture at Cornell. He has since lectured on farming, and has served as editor of several magazines of the soil. To top it all, he translated into English the best-selling "Education of a Russian Princess," which has swept America.

The first of the farmers is one Pierre Lefargue, aged 60, dweller in the French Midi. He works, in harvest time, a seventeen-hour day; then soup and to bed. He has not been to Bordeaux for twenty years, and never to Paris or Marseilles. His patois is partially Spanish. "The family title to the farm runs back to 772

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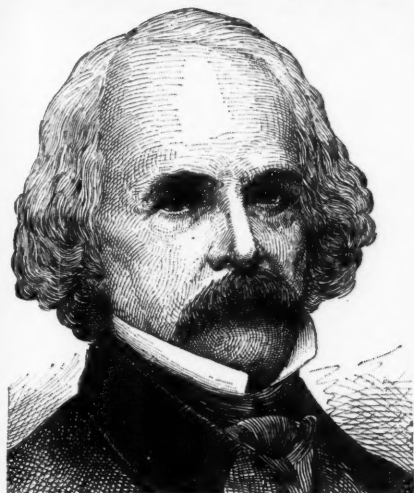
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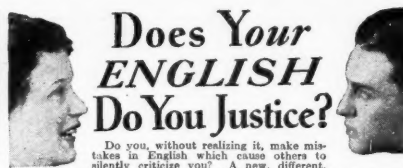
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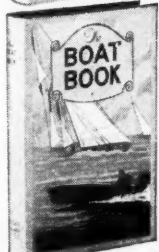
The last of the farmers is M. L. Wilson, aged 46, who came to Montana in 1909. "The first thing I did was buy the biggest steam-engine I could find," he says. He gave the state an improved dry-land corn, and became its first Director of Extension. He took a Master of Arts degree at the University of Wisconsin, in economics. Then came the Fairway Farming Corporation, backed by John D. Rockefeller, Jr., which has shown that a bushel of wheat can be grown and threshed in less than three minutes of human labor. Charts, uniformity, the magic of organization, and the beneficent corporate order did it. Pierre Lefargue, working by hand, would have taken three hours to do that three-minute job. Here are the two polar extremes of farming, as seen by Mr. Lord. His other thirty-nine agricultural friends, Americans all, constitute an intermediate body scattered all over the Union. The maize-culture of the Iroquois or Six Nations, incidentally, was an important contribution to the science of American land economics. "Men of Earth" deserves careful study. It will interest laymen and land-minded alike.

Catch Them Young!

The Making of Citizens, by Charles E. Merriam, University of Chicago Press, 371 pp. \$3.00.

CIVIC TRAINING is a not inconsiderable part of popular education in the nationalistic states of today, whether it be to stress the ideal of patriotism (as in France) or of class solidarity (as in Soviet Russia). In French schools is inculcated a romantic love for *La Patrie*; in Russia there flourishes the Marxian dogma as interpreted by Lenin. In Italy there is a semi-divine Fascist State—self-perpetuating—in whose unremitting service the people are taught to toil. England, says this American professor, employs the public school system to produce her dominant cult of the "gentleman." It installs a rigid code of public and private conduct, snobbish but often beneficial to the empire. Germany is schooled by the reactionary *Stahlhelm*, the republican *Reichsbanner*, and the communist *Rote Front*—according to their respective ideals. Such three-headed leadership tends to chaos, though a tradition of service is strong.

American training has emphasized the schools, the political parties, and the press, according to Dr. Merriam. The United States has, compared to Europe, understressed government services, love of locality, symbolism, literature, traditionalism. He remarks that "in a sense the great newspaper proprietors have been an informal and irresponsible House of Lords." The polyglot problems of Switzerland and of the erstwhile Austria-Hungary are also considered. The Swiss cantons were drawn together by a common dislike of their neighbors; the Austro-Hungarian peoples dissolved through



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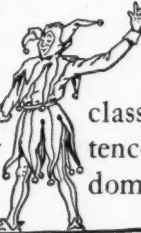
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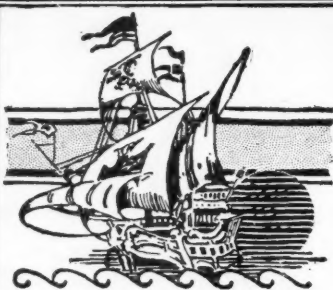
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Wheels of Progress

Taming Our Machines, by Ralph E. Flanders. Richard R. Smith, 244 pp. \$2.50.

SEVEN AGES HAVE LEFT their imprint upon mankind. The Egyptian, the Indian, the Classical, the Chinese, the Arabian, our present Western, and the indigenous Mexican. Now we are faced with a new Machine Age of vast complexity and limitless power. What are we going to do about it? We need social engineering to set us aright, for "the Machine has been placed on the abdicated throne of the evil one. In consequence the Machine has, in the minds of many, inherited certain of the perquisites of his predecessor—an active ill-will, a superhuman ingenuity in evil, and a troublesome immortality."

There are many phases to mechanization. There is the question of Russian planning versus American. There is business stabilization, the higher standard of living, farm relief, international factors, aesthetics, moral problems, human values. There is, at present, marked instability; for the Industrial Revolution is yet a recent thing. In America, the blockades and embargoes of the Napoleonic Wars launched us on the industrial path. Russia is now actively industrial-revolutionizing under the Five-Year Plan. Mr. Flanders has dealt, chapter by chapter, with most of these phases, and his observations are stimulating and comprehensive. We must take stock and adjust ourselves.

Sociological Topics

Encyclopaedia of the Social Sciences, Volume V, edited by Edwin R. A. Seligman. Macmillan, 690 pp. \$7.50.

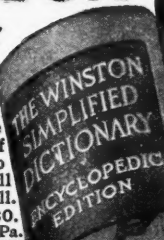
VOLUME FIVE OF this useful encyclopaedia opens with the brief biography of a French revolutionary statesman and orator, Georges-Jacques Danton (1759-94), and closes with a discussion of Exile in its political and social phases. Among the well-known international contributors are Harry Barnes, Raymond Buell, George Counts, Horace Friess, Jacob Hollander, J. M. Keynes, Harold J. Laski, Howard McBain, Broadus Mitchell, Wilhelm Mommsen, Selig Perlman, Lindsay Rogers, Edwin Seligman, J. C. Stamp, and George Vernadsky. So great is the scope of the work that such subjects as Dentistry, Deportation, Divorce, Education, Egyptian Problems, Environmentalism, Estates General, Europeanization, Evolution, and Executive Agreements receive treatment in some detail. Economics is, of course, an important subject; as are Democracy and Disarmament. Here is a valuable collection of reference material, by masters in the sociological and kindred fields. Professor Seligman, of Columbia University, assisted by Alvin Johnson, is proving the able editor one might expect him to be. His set, when completed, will make for itself an enduring place in public and private libraries.

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LOTHROP STODDARD has told us of the rising tide of color and of its veiled menace to our mankind. But there is an insect menace which presents a more serious danger, according to Dr. Howard, who served as Chief Entomologist of the Department of Agriculture for more than thirty years. The insect empire is strong, hostile, militant, with 12,000 times the chance of man to evolve a persistent type. They—the insects—are older, smaller, faster, stronger, capable of easier concealment and more rapid multiplication. We must rally to check our active enemies, and keep on rallying. We have chemicals, airplanes, quarantines, and crop tactics as weapons; and we have three great victories to our credit—the Rocky Mountain locust triumph of the seventies, the cotton boll-weevil, and the Mediterranean fruit-fly. Ancient Rome is said to have been sapped by the malarial mosquito, though they blamed it on the blameless Goths! Let us smite or swat the enemy within our midst. It can and must be done. Here is science in one of its most sensational, yet most accurate, phases. This highly trained author knows whereof he writes.

Introduction to Science

An Outline of the Universe, by J. B. Crowther. Dodd Mead, 376 pp. \$3.50.

HERE IS AN outline of natural phenomena, to match H. G. Wells' outline of history. A panoramic view of the forces of nature reveals the evolutionary story of the universe, but the relative importance of things must be appraised by a sweeping treatment which does not obscure the reader's perspective in masses of detail. Mr. Crowther is well aware that such a procedure is necessary, and astronomy, physics, geology, biology, anthropology, and sociology are included in his convenient work. Some of his chapters—we select them at random—deal with stars, protons, colloids, bacteria, heredity, blood in its various phases, the nervous system, apes, emotion, the origin of civilization, modern society. In other words, the march of evolutionary progress from start to finish. "Man," says the author, "must now try to emulate nature and organize his society as efficiently as nature has organized the community of cells in his own body." There is his prescription for depression brought on by an overproduction of humans—900,000,000 in 1800; 1,800,000,000 in 1931.

Since most of us, though living in a scientific age, are confused by the ramifications of so complicated an era, an accurate outline of what it is all about should prove helpful. Research, linked with industry, has become the keynote as we struggle along the upward path. Our occupations, our luxuries, our health, our ways of life are involved in ions, molecules, blood-counts. Mr. Crowther, by intelligently sugar-coating his field of evolutionary forces, has performed a service to the reading public.



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